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# FEDERAL AGRICULTURAL LEGISLATION IN CANADA

1953  
SUPPLEMENT  
and  
CONSOLIDATED INDEX

Viviane H. Matte



Canada

DEPARTMENT OF AGRICULTURE

Marketing Service

Economics Division

Ottawa, September 1953







## PREFACE

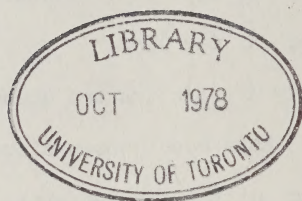
This paper is intended as a supplement to the bulletin "Federal Agricultural Legislation in Canada, 1952", published by the Economics Division, Canada Department of Agriculture, in July 1952.

New legislation and amendments to existing legislation which have been passed since publication of the bulletin are included in this supplementary paper.

Along the margins of the text, beside each amendment to existing legislation, appear the page numbers in the bulletin on which the original Acts were summarized. In the case of new legislation the word "new" appears in the margin.

As was done in the bulletin, the legislation summarized in this paper has been classified according to purpose, under the same headings as were used in the bulletin.

A consolidated index of the legislation summarized in the bulletin and in this supplementary paper is included herewith.





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LAND POLICIES

2. Land Development and Irrigation  
(new) CANADA WATER CONSERVATION ASSISTANCE ACT, 1953.  
(Assented to May 14, 1953)

This Act authorizes the federal government to grant financial assistance to the provinces for major projects for the conservation of water resources under the terms and conditions specified in the Act. Such grants are not to exceed  $37\frac{1}{2}$  per cent of the cost of the project and are to be paid out of monies appropriated by Parliament for that purpose. The actual construction work must be carried out by the province or by the local authority.

The Act also provides for ancillary conservation measures such as reforestation to be undertaken in connection with water conservation projects, wherever these measures are required to ensure the protection of natural resources in the area concerned.

FARM CREDIT FACILITIES  
AND  
GOVERNMENT RELIEF ASSISTANCE

- (p.14) FARM IMPROVEMENT LOANS ACT, 1953 am.  
(Assented to May 14, 1953)

This amendment extends the life of the Act by closing out on March 31, 1953, in lieu of February 28, 1954, the present three-year pool of loans guaranteed by the federal government under the Act and providing for a new three-year pool commencing April 1, 1953 and ending March 31, 1956. In addition, the amendment provides that the minimum amount of bank loans made in the new period and guaranteed under the Act will be \$300 million.

The maximum loan to individual farmers is increased under this amendment from \$3,000 to \$4,000.

- (p.19) PRAIRIE FARM ASSISTANCE ACT, 1953 am.  
(Assented to May 14, 1953)

This amendment makes eligible, with respect to the assistance provided under the Act, certain crown lands in the northern parts of Manitoba and Saskatchewan granted or sold after December 31, 1940.

- (new) CO-OPERATIVE CREDIT ASSOCIATIONS ACT, 1953.  
(Assented to May 14, 1953)

This Act provides for the incorporation of co-operative credit associations operating in more than one province. These associations will operate under the supervision of the federal superintendent of insurance. Before any such national association may operate it must come to Parliament for incorporation by a special act.

Under the Act a national association may not lend to any one borrower who is a member of the association an amount in excess of 10 per cent of the paid-up capital and deposits. This limitation does not apply to the member associations themselves, that is, to the provincial organizations, which may continue to lend in excess of those amounts.

MARKETING OF FARM PRODUCTS

A. General  
(p.25) FOOD AND DRUGS ACT, 1953 (Assented to May 14, 1953).

This Act revises and consolidates the previous Food and Drugs Act as amended. The purpose of the revision is to remove certain anomalies and to make more specific provision for certain matters to recognize modern trade and manufacturing practices.

Apart from these changes and the rearrangement of the provisions of the Act, the new Act also makes specific provision for certain matters not contained in the old Act. It provides for the keeping of records by manufacturers of foods, drugs or cosmetics and prohibits the sale of foods, drugs and cosmetics that were packaged and stored under unsanitary conditions. It also limits the power of the Minister with regard to the forfeiture of goods. Under the new Act there is no forfeiture of goods without the consent of the owner unless a judicial officer determines whether or not the goods are in conformity with the Act and whether the forfeiture should be undertaken. However, aside from these changes the principle and general terms of the Act remain the same.

B. Commodities  
4. Grains and Feeds  
(p.34) CANADIAN WHEAT BOARD ACT, 1953 am. (Assented to May 14, 1953).

Under this amendment the members of the Canadian Wheat Board will now bear the title "commissioner".

The repeal of Part II of the Act is deferred by this amendment until August 1, 1957. Part II relates to the Board's control of elevators and railways.

The amendment also provides for annual pool periods until August 1, 1957.

The section of the Act concerning expenses of the Board with respect to the International Wheat Agreement is amended. The amendment allows the Board to charge the expenses incurred with respect to the International Wheat Council under the new International Wheat Agreement to monies arising from the sale of wheat.

A new section contained in the amendment empowers the Governor in Council to allow the Board to dispose of unclaimed and undistributable residual balances which have remained in the Board's accounts for more than six years.

The repeal of Part IV of the Act is deferred until August 1, 1957. Part IV relates to the Board's regulation of interprovincial and export trade in wheat.



INTERNATIONAL WHEAT AGREEMENT (Ratified by the House of Commons on April 27, 1953 and by the Senate on April 28, 1953).

The terms of the new International Wheat Agreement provide, for three years from August 1, 1953, for a maximum price of \$U. S. 2.05 per bushel and a minimum of \$1.55, inclusive of carrying charges. If all countries represented at the meetings of the International Wheat Council join the Agreement, Canada's guaranteed exports would be increased from 235 million bushels under the old wheat agreement to 250 million bushels.

The new agreement will come into force if accepted by July 15, 1953 by importers representing 50 per cent of the guaranteed quantities, and by exporters representing 50 per cent of the guaranteed quantities.

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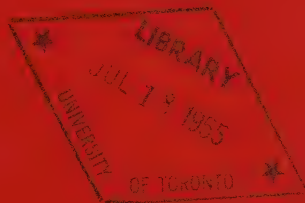


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CANADA

# FEDERAL AGRICULTURAL LEGISLATION IN CANADA 1954



Economics Division, Marketing Service  
DEPARTMENT OF AGRICULTURE  
Ottawa, April, 1955 [Revised]





## PREFACE

This reference paper replaces the original publication on federal agricultural legislation and the supplement issued by the Economics Division of the Department of Agriculture. The material has been brought up to date and descriptions of some additional acts have been included.

Agricultural legislation and sections relating to agriculture in other acts are outlined. In a few cases pertinent regulations are also described. Some of the acts mentioned are administered by departments other than the Department of Agriculture.

The text of this bulletin is based on the Revised Statutes of Canada, 1952 and on legislation enacted to the end of 1954. Bills which contain provisions relating to agriculture and passed at the 1955 session of Parliament by April 15, are briefly reviewed in the Appendix.

The outlines presented in this publication have not the force of law, nor are they intended to be a summary of the legislation; they merely indicate the acts or sections of acts which apply to agriculture. For legal interpretations the statutes should be consulted.

The acts are classified according to purpose into the eight broad categories listed in the table of contents. The formal language of the legislation is, to a great extent, retained in the text.

The abbreviations used are: R.S.C. - Revised Statutes of Canada; S.C. - Statutes of Canada; c. - chapter; am. - amendment; P.C. followed by a number - indicates an order in council.

Annual supplements to this report will be issued.

The Introduction briefly outlines the division of responsibilities between the federal and provincial governments. Except for some minor changes this section is taken from the report entitled "Agriculture" - Reference Book for the Dominion-Provincial Conference on Reconstruction, Ottawa, 1945 (pp. 7-8), and also appeared as the Introduction to "Provincial Agricultural Legislation in Western Canada, 1950".

This paper was prepared by Marjorie R. Cameron of the Economics Division, Marketing Service, Department of Agriculture. Some of the text from the earlier bulletin by Viviane H. Matte has been incorporated. Frank Shefrin of the Division reviewed the manuscript. Grateful appreciation is expressed for the friendly criticism and suggestions offered by members of other government departments.



FEDERAL AGRICULTURAL LEGISLATION  
IN CANADA, 1954

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## INTRODUCTION 1/

With respect to the distribution of legislative powers, the British North America Act, in Section 91, provides that:

It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make laws for the Peace, Order and good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the provinces,...

The Act (Section 95) provides that:

In each province the Legislature may make laws in relation to agriculture in the province ...; and it is hereby declared that the parliament of Canada may from time to time make laws in relation to agriculture in all or any of the provinces ...; and any law of the legislature of a province relative to agriculture ... shall have effect in and for the provinces as long as and as far only as it is not repugnant to any Act of the Parliament of Canada.

This section, therefore, provided for concurrent jurisdiction in the field of agriculture but gave the Federal Government over-riding authority in case of conflict.

1/ This section, briefly outlining the division of responsibilities between the federal and provincial governments, is, with the exception of one or two minor changes, taken from the report entitled "Agriculture" - Reference Book for Dominion-Provincial Conference on Reconstruction, Ottawa, 1945, pp. 7-8. Vernon Fowke, in his book "Canadian Agricultural Policy" (p. 147), has this to say on the subject of constitutional jurisdiction:

"The Quebec Resolutions provided that both the provincial and federal governments should be competent to make laws respecting agriculture and immigration. Section 95 of the British North America Act provided that provincial Legislatures might make laws relating to 'Agriculture in the Province, and to Immigration into the Province,' while the Parliament of Canada might make laws 'in relation to Agriculture in all or any of the Provinces, and to Immigration into all or any of the Provinces.' To avert conflict of jurisdiction the same section provided that 'any Law of the Legislature of a Province relative to Agriculture or to Immigration, shall have effect in and for the Province as long and as far only as it is not repugnant to any act of the Parliament of Canada.' Further in line with the Quebec discussions the British North America Act specified provincial control of crown lands in the four provinces originally concerned. Among the exclusive powers of provincial Legislatures, Section 92 of the Act listed '(5) The management and sale of public lands belonging to the Province and of the timber and woods thereon,' and '(13) Property and civil rights in the Province.' Section 109 secured to 'The several provinces of Ontario, Quebec, Nova Scotia, and New Brunswick' all lands, mines, and minerals within their borders."



Other sections of the British North America Act also contain provisions affecting agriculture. The authority with respect to trade and commerce which was assigned to the Dominion (Section 91 (2)) is one of the most important; its significance has increased over the years as agriculture has become more specialized and as farm products have more and more entered into the nation's commerce. The power to deal with property and civil rights which was assigned to the provinces (Section 92(13)) has also come to have an important bearing upon agriculture. Finally, the provisions of the Act dealing with weights and measures (Section 91 (17)), the management and sale of public lands (Section 92(5)) and several other matters are of direct or indirect concern to agriculture.

It is not difficult to find the basis for this division of responsibility in regard to agriculture. Insofar as the provinces are concerned their interest is partly historical, and partly geographical and economic. The predecessors of the present provinces, -- as independent colonies -- were concerned with agricultural matters in their own right. In fact a very large part of the time and interest of colonial governments was devoted to agriculture. Most of the people were farmers and under the pioneer conditions existing required protection and assistance in various ways. The Colonial statutes of the late eighteenth and early nineteenth centuries contain many enactments relating to agriculture, including those providing assistance to agricultural societies, forerunners of the present provincial departments of agriculture. It was natural therefore, that the representatives of these colonies who assembled to consider the terms of a union should provide that the legislatures of the provinces should have something of the authority over agriculture that the Colonies had possessed.

Historical precedent was not the only reason for the provision of dual authority in agriculture, however. There was a good deal of geography and economics back of the decision that some things in regard to agriculture should be done locally. The time and distance factor must have weighed heavily on those who had to consider these matters in 1867. How could any national government with the methods of communication then prevailing, become familiar with agricultural matters in the very remote areas of Canada?

Time and distance are still important factors despite improvements in communication, and though there have been many changes, including the interests of the people in these same rural areas, there are still matters relating to agriculture that can be handled most effectively by provincial and local authorities.

As far as certain western provinces are concerned a third major development that encouraged an expansion of provincial responsibility and activity was represented by their assumption, in 1930, of complete control over natural resources.

Even at the time of Confederation it was apparent that there were aspects of agriculture that transcended local and provincial interests. Trade between the Colonies and other countries and between

the Colonies themselves, had already reached considerable proportions. With Confederation these became matters for the consideration of the national government. Trade in turn rested upon production, upon agriculture in the far reaches of the country.

With the formation of the Dominion and the expansion of trade between the provinces and with other countries, the need for a more extensive service— one that could take account of the broader national and international aspects of production and distribution -- became apparent. The creation of the Dominion also emphasized consumer interest. There was need for the co-ordination of food production in a nation composed of several states or provinces. Famine and war already indicated the necessity for this. But peace or war, the Fathers of Confederation were seized with the necessity of providing that the central Government too, should have authority over agriculture. So important was it considered, even in 1867, that though concurrent authority was conferred upon the Legislatures of the Provinces, and on the Parliament of Canada, the authority of Parliament was put above that of Legislatures of the provinces in case of conflict.

Concurrent jurisdiction does not necessarily imply divided jurisdiction. True, it implies that each party has the right to legislate, or to act in the given field, but it does not follow that that right is exercised in all instances. It is possible through agreement or understanding to map out a field so that each party assumes responsibility for certain activities. Sometimes such a division results from a priority of interest. Even where there is no conscious effort to assign divisions of responsibility, such divisions develop through inherent interests in different matters.

There are many matters in agriculture -- using the term in its narrower sense as applying to activities associated with production in contrast to those relating to marketing -- that are primarily or exclusively of provincial concern. For instance, the provinces legislate to protect farm property. Examples of this are the enactments dealing with prairie fires, with trespass, with animals running at large and with fencing and branding. Property and civil rights may be involved where these questions are under consideration. The provinces are also directly concerned with the control of weeds, with the use of fertilizers, with agricultural societies and seed fairs; and they have legislation and policies to promote such activities. The Dominion, though interested in such matters and prepared to assist in connection with some of them, has no legislation in these fields.

There is a second group of activities -- and it has increased in size as agriculture has become more complex -- in which both the Dominion and the provinces have an interest, though the degree of that interest varies. Even with respect to such matters, divided jurisdiction is not necessarily a result of concurrent power to legislate. The field may be shared with the respective parties occupying different sections and with a single authority over each. The Dominion has an over-all interest in the conservation of soil and water resources and may be interested in having farms properly drained, but action with respect to tile

drainage may be considered a provincial matter. The Federal Government is definitely interested in the control of insects and diseases affecting fruit and conducts research to that end, but the provision of an orchard spray service is considered a matter for provincial action.

So, too, with respect to some of the matters included in the category first mentioned. The control of weeds on farms is a matter on which the provinces alone have legislation, but the Federal Government, under the authority of the Seeds Act, supplements this provincial control by regulations pertaining to the weed content of seed. And with respect to fertilizer the federal legislation with respect to quality standards may be considered as relating to the provincial measures regarding the use of fertilizers.

Finally, there is a third group -- and this too has more occupants than formerly -- in which concurrent powers have led to divided jurisdiction. Perhaps the references already made to control plant and animal diseases may be extended to illustrate the case. Both governments are interested in this matter and each may conduct surveys and undertake research in an effort to discover and eradicate such disease. Each may also engage in research designed to develop resistant plants or animals. But there is usually an understanding between research agencies and workers which results in the co-ordination of all effort in the particular field. In this case, duplication of research may be considered desirable.

Again it might be noted that both the Federal Government and the provinces have experimental farms and some of the activities of these institutions may be duplicated. In this instance, too, duplication and replication may be desirable for it is by such practice that results are made applicable to varying conditions. By allocation of the field of activity and by assignment of projects unnecessary duplication and conflict of jurisdiction is avoided.

Actually the division of interest and of action is not always as sharply defined as the grouping and illustrations used in this outline may suggest. The one test that is generally applicable and most frequently used in considering legislation and policies is represented in the question "Is the matter of interprovincial or national concern?" If so, it may be considered a field for federal action. If not, it should be dealt with by the province. However, the fact that, by this test, a matter falls to one or the other does not mean that the party responsible will take action. It has happened that though a matter concerns two or more provinces and might be considered a proper field for federal action no action was taken. Such a situation may result in provincial action. The reverse situation may develop - has in fact. A matter obviously within provincial authority may be neglected for one reason or another but the national interest may require federal intervention.

Decisions with respect to matters involving jurisdiction are very carefully considered. In dealing with them agricultural officials have a considerable range of experience and of precedents to rely upon. They also have available the assistance of legal authorities.



## I.- ADMINISTRATION

DEPARTMENT OF AGRICULTURE ACT, R.S.C. 1952, c. 66.

"An Act respecting the Department of Agriculture."

This Act provides for the establishment of the Department of Agriculture to be presided over by a Minister assisted by a Deputy Minister. The Minister has the control and direction of agriculture, arts and manufactures, the Experimental Farm Stations and any other matters assigned to him by the Governor in Council.

EXPERIMENTAL FARM STATIONS ACT, R.S.C. 1952, c.101.

"An Act respecting Experimental Farm Stations".

This Act provides for the establishment of an experimental farm station for:

- (a) the provinces of Ontario and Quebec jointly, which is the principal or central station;
- (b) Nova Scotia, New Brunswick and Prince Edward Island jointly;
- (c) Manitoba;
- (d) Saskatchewan, Alberta and the Northwest Territories jointly;
- (e) British Columbia; and
- (f) Newfoundland.

Officers of these farm stations are to conduct any experiments bearing upon the agricultural industry of Canada, which are approved by the Minister of Agriculture. These include research and verification of experiments in stock breeding, animal diseases, the production of butter and cheese, wheat and cereals, field crops, grasses and forage plants, fruits, vegetables, plants and trees, seeds, the comparative value of different fertilizers and animal foods and the eradication of plant diseases and destructive insects and pests.

STATISTICS ACT, R.S.C. 1952, c.257; 1952-53, c.18 am.

"An Act respecting the Dominion Bureau of Statistics".

Sections 16 to 20 inclusive of the Act make provision for a census of population and agriculture to be taken in Canada in 1951 and in every tenth year thereafter, and at five-year intervals, beginning in 1956, in Manitoba, Saskatchewan and Alberta.

The Minister of Trade and Commerce may authorize the collection of statistics by the sampling method. The Dominion Bureau of Statistics is empowered to collect, compile, analyze and publish statistics on specific matters, some of which relate to: agriculture, horticulture, dairying, cold storage, prices and cost of living, imports and exports.

For census purposes farmers must furnish correct information concerning persons in the household, farm dwellings, tenure, land, crops and livestock or any other matters prescribed by the Governor-in-Council, or be subject to the penalties stated in the Act.



## II.- AGRICULTURAL PRODUCTION

### 1. General

LIVE STOCK PEDIGREE ACT, R.S.C. 1952, c.168.

"An Act respecting the Incorporation of Pure-bred Live Stock Record Associations."

This Act provides for the incorporation of associations for the purpose of keeping a record of pure-bred domestic live stock of a distinct breed, or several records each of a distinct breed of the same species of animals. Only one association for each distinct breed or for a number of breeds of the same species may be incorporated under this Act. Applications for registration are checked and if in conformity with the Act and By-laws of the Association concerned, are sealed and approved for the Minister.

Associations incorporated in accordance with the provisions of this Act may affiliate for keeping live stock records, issuing certificates of registration and of transfer, and performing such other services on behalf of the affiliated associations as are authorized by the articles of affiliation. Such an affiliation is to be known as the Canadian National Live Stock Records. The terms of its affiliation are: to provide for a governing body known as the Canadian National Live Stock Record Board which shall be representative of the affiliated associations; to provide for an administrative committee known as the Canadian National Live Stock Record Committee; to provide for a Director of Canadian National Live Stock Records; to provide for proper representation from the various affiliated breed associations to the Board; and to prescribe the power and authority of the Canadian National Live Stock Records on behalf of the affiliated associations.

The Minister of Agriculture is responsible for the administration of the Live Stock Pedigree Act and is represented on the Canadian National Live Stock Record Board and Committee by the Chief Registration Officer. It is the latter's duty to maintain contact with the breed associations and advise the Minister on proposed amendments or changes of the constitution of the various breed associations and to represent unincorporated associations. No amendment can become effective until approved by at least two-thirds of the association and by the Department. Investigations of alleged irregularities are carried on and prosecutions, where necessary, are conducted.

ANIMAL CONTAGIOUS DISEASES ACT, R.S.C. 1952, c.9; 1953-54, c.12 am. (assented to March 4, 1954).

"An Act respecting Infectious or Contagious Diseases affecting Animals."

Under the terms of this Act the Governor in Council may make any regulations he may deem necessary for the purpose of "preventing the spreading of and for the extirpation of contagious or infectious diseases among animals."

The Act provides that every owner or breeder of animals, every one bringing animals into Canada, and every veterinary surgeon shall, on perceiving the presence of an infectious or contagious disease in an animal under his care, give immediate notice to the Minister of Agriculture and to the nearest veterinary inspector of the Department of Agriculture. Provision is made for the quarantine, segregation or slaughter of animals affected by infectious or contagious disease, for the destruction of other infected property, and for the payment of compensation to the owners for animals or property destroyed under the provisions of this Act.

The 1954 amendment removed the limit on compensation payable for sheep and swine slaughtered and provided for payment on the basis of market value from May 1, 1953. Maximum compensation prior to the amendment amounted to \$50 per head for swine and sheep, if pure-bred, and \$30 and \$20 respectively for grade animals.

The basis of compensation for cattle and horses did not change. Maximum compensation is \$100 per head for pure-bred cattle and \$40 for grade animals, plus an additional amount equal to the market value of the carcass if the sale of the carcass is unlawful. For horses the maximum compensation is \$200 for pure-bred, and \$100 for grade animals.

The Minister may prohibit the import of animals or parts thereof, or other articles to prevent the spread of a contagious disease among Canadian animals. Regulations are set out regarding the cleansing of vessels, vehicles and premises used for the carrying or accommodation of animals and penalties for violation of the act are stated.

AN ACT FOR THE CONTROL AND EXTIRPATION OF FOOT AND MOUTH DISEASE, S.C.  
1952, c.1. (Assented to March 6, 1952).

This Act empowers the Minister of Agriculture to cause any animal to be slaughtered in order to prevent the spreading of or to extirpate the 1952 outbreak of foot and mouth disease in Canada.

The Minister may order that, in addition to any compensation paid under the Animal Contagious Diseases Act, further compensation shall be paid to the owners of animals slaughtered under this Act so that the total compensation will be fair and reasonable. Such compensation is to be determined in the manner prescribed by regulations to be made by the Governor in-Council and after a report by the board of valutors to be appointed by the Governor in Council. Compensation, determined in the same manner, may also be paid in respect of any buildings, fodder, grain or other things ordered to be destroyed.

DESTRUCTIVE INSECT AND PEST ACT, R.S.C. 1952, c.81.

"An Act to Prevent the Introduction or Spreading of Insects, Pests and Diseases Destructive to Vegetation"

This Act authorizes the Governor-in-Council to make regulations to prevent the introduction or admission into Canada, or the spreading

therein, or the shipment beyond her borders, of any insect, pest or disease destructive to vegetation.

Such regulations may provide for:

- (a) the prohibition of the admission into Canada, or the shipment beyond her borders, of any vegetable or other matter likely to introduce any such insect, pest or disease;
- (b) the treatment to be given to any vegetation, vegetable matter or premises in order to prevent the spreading of any such insect, pest or disease;
- (c) the destruction of any crop, tree, bush or other vegetation or vegetable matter or containers thereof infested with any such insect, pest or disease;
- (d) the granting of compensation for any such crop, tree, bush or other vegetation or containers thereof so destroyed, up to two-thirds of the value of such matter;
- (e) the prohibition of the sale of any vegetable matter infested with any such insect, pest or disease;
- (f) the inspection of, or the granting of health certificates, or both, for any vegetable or other matter, before export to any foreign country, or for domestic purposes.

Provision is made for the appointment of officials to enforce the Act and regulations, and for penalties for persons who contravene any of the provisions of the Act or regulations.

CRIMINAL CODE, S.C. 1953-54, c.51 (assented to June 26, 1954; proclaimed September 17, 1954 to become effective April 1, 1955).  
"An Act respecting the Criminal Law".

The sections of the Criminal Code which apply particularly to agriculture are:

Section 284.- Sets out penalties for persons who fraudulently take, receive, hold, purchase or sell cattle that are found astray;

Section 374.- States that persons who wilfully set fire to a building, a stock of vegetable produce or of mineral or vegetable fuel, a crop which is standing or cut down, or any wood, forest or natural growth, may be penalized for such an offence;

Sections 383-4.- Provide penalties for persons who illegally interfere with boundary markings of a piece of land;

Sections 385-7.- Set out penalties for persons who attempt to kill, maim, wound, poison, injure or neglect any live stock



or other animal or bird;

Section 389.--

States the requirements for feeding and resting live-stock in transit and the care and sanitary precautions to be taken by the railway or steamship company.

## 2. Farm Supplies and Feeds

PEST CONTROL PRODUCTS ACT, R.S.C. 1952, c.209.

"An Act to regulate the Sale of Products used in controlling Agricultural Pests".

For the purposes of this Act "pest control product" means "any product used, or represented as a means, for preventing, destroying, repelling, mitigating or controlling, directly or indirectly, any insect, fungus, bacterial organism, virus, weed, rodent, or other plant or animal pest."

The Act makes compulsory the annual registration with the Minister of Agriculture of all brands of pest control products manufactured, imported or sold in Canada. Regulations are set out regarding eligibility of each kind of pest control product for registration and the labelling of the packages. Every pest control product is registered subject to satisfactory formula, claims as to purpose, and directions for use, and must be labelled accordingly. When poisonous to humans or animals the labels must be marked "poison" and show the skull and cross-bones symbol and the antidote.

Provision is made for the appointment of such inspectors and official analysts as are required for the purposes of this Act and for the enforcement of penalties for violation of the Act.

FERTILIZERS ACT, R.S.C. 1952, c.115

"An Act to Regulate the Sale of Agricultural Fertilizers".

This Act makes compulsory the marking on all containers of fertilizers offered for sale in Canada, the manufacturer's or importer's name, the brand name, the guaranteed analysis of their contents and the registration number and date thereof, if the fertilizer is subject to registration. All fertilizers except the pure chemicals sold for single application must be registered. The Act sets out the minimum percentage of the different plant foods required in fertilizers sold in Canada, and forbids the sale of any fertilizer containing sufficient destructive ingredients to prove harmful to plant growth when used in a reasonable manner. It also makes provision for controlling the sale and advertising of soil amendments and other materials, used to improve soil fertility and plant growth, which are not classed as fertilizer.

Provision is made for the appointment of such inspectors and official analysts as are required for the purposes of this Act, for the making of Regulations concerning nomenclature of materials and brands,

analysis of fertilizers, and enforcement of penalties for violating the provisions of the act.

FEEDING STUFFS ACT. R.S.C. 1952, c.113

"An Act to Control and Regulate the Sale of Feeding Stuffs."

For the purposes of this Act "feeding stuff" means any article intended for consumption by live stock and purporting to supply proteins, carbohydrates, fats, minerals, condiments or vitamins, and includes any article prepared for the purpose of preventing or correcting nutritional disorders.

Except where otherwise provided in this Act, this Act shall not apply to:

- (a) whole hays, straws, corn stover and silage when unmixed with any other material;
- (b) hulled oats, hulled barley, cracked Indian corn and the whole seeds or grains of cultivated farm crops;
- (c) feeding stuff prepared in accordance with a prescription provided and signed by the purchaser for consumption or processing by such purchaser;
- (d) feeding stuff for export from Canada and so labelled;
- (e) feeding stuffs sold by the individual grower thereof.

The Act forbids the importation, manufacture, distribution advertising or sale of feeding stuffs mentioned in the schedule to this Act (which include all mixed feeds and most by-product feed materials), which have not been registered annually with the Minister of Agriculture or of feedstuffs which contain foreign matter in excess of the tolerances prescribed in the regulations. No change in the brand, name, chemical composition or ingredients of a registered feeding stuff may be made without the written approval of the Minister.

The Governor in-Council may make regulations regarding the character, quality, quantity, contents, ingredients, vitamin claims and labelling of feeding stuffs, and of by-products resulting from the milling of wheat for the production of flour imported into, manufactured, advertised or offered for sale in Canada as feeding stuffs.

The Minister may also make regulations as authorized by the Act.

Whenever any feeding stuff is to be exported from Canada it shall be labelled as the regulations prescribe.

The Act provides for: inspection of premises, analysis of samples of any feeding stuffs found there, and penalties for violation of any of the provisions of the Act.



HAY AND STRAW INSPECTION ACT, R.S.C. 1952, c.141.

"An Act respecting the Inspection and Grading of Hay and Straw"

This Act empowers the Minister of Agriculture to appoint inspectors, to establish regulations prescribing standards for, and to certify by inspection certificate, the class, quality and/or condition of hay and straw.

INSPECTION AND SALE ACT, R.S.C. 1952, c. 155.

"An Act to regulate the Inspection and Sale of Binder Twine and to establish Weight of Bushel for certain Commodities commonly sold by the Bushel."

Part I of this Act requires that every ball of binder twine sold or offered for sale in Canada be properly and correctly labelled with the name of the dealer and the number of feet of twine per pound in the ball. Binder twine manufactured for export only need not be so labelled. Regulations are also set out regarding the labelling of binder twine damaged by fire or water and offered for sale in Canada. Provision is made for inspection of this item in any premises, and the imposition of penalties for first and subsequent offences.

Part II of this Act provides that the Minister of Agriculture may make regulations:

- (a) prescribing standards of grade, class or quality for flax fibre and the names or marks that may be used to designate such grade, class or quality;
- (b) providing for inspection, grading and labelling of flax fibre, the form, issue and use of inspection certificates and prescribing inspection fees; and
- (c) generally for carrying out the purposes or provisions of this Part.

Flax fibre may not be exported from Canada or from one province to another in Canada unless it is inspected, graded, marked or designated and labelled in accordance with the regulations made under this Part.

Part III sets out the legal weights per bushel of various seeds, grains field crops and malt, and of bituminous coal and of lime in contracts for the sale and delivery of these articles, and the penalties for violation of these provisions.

### III.- LAND POLICIES

#### 1. Land Development, Conservation and Irrigation

PRAIRIE FARM REHABILITATION ACT, R.S.C. 1952, c.214.

"An Act to provide for the rehabilitation of drought and soil drifting areas in the Provinces of Manitoba, Saskatchewan and Alberta."

Under the terms of this Act, the Minister of Agriculture may, subject to the approval of the Governor-in-Council, undertake the development, construction, promotion, operation and maintenance of projects or schemes to secure the rehabilitation of the drought and soil drifting areas of the provinces of Manitoba, Saskatchewan and Alberta, and may enter into agreements with any province, municipality or person with respect thereto.

Such rehabilitation may consist of the development and promotion within these areas of systems of farm practice, tree culture, water supply, irrigation, land utilization and land settlement that will afford greater economic security.

Provision is made for the appointment of a Director, an Associate Director of Rehabilitation and such other employees as are necessary to carry out the provisions of this Act, and for the establishment of advisory committees.

MARITIME MARSHLAND REHABILITATION ACT, R.S.C. 1952, c.175.

"An Act respecting the Reclamation and Development of Marshlands in Nova Scotia, New Brunswick, and Prince Edward Island."

This Act authorizes the Minister of Agriculture to enter into agreements with the governments of Nova Scotia, New Brunswick and Prince Edward Island for the construction and reconstruction of dykes, aboiteaux, and breakwaters to reclaim and develop the marshlands in these provinces. Before any work is undertaken, a province must fulfil the requirements stated in the Act.

Officers, employees and Advisory Committees may be appointed to assist the Minister in carrying out the provisions of the Act.

CANADA WATER CONSERVATION ASSISTANCE ACT, S.C. 1952-53, c.21 (Assented to May 14, 1953)

This Act authorizes the federal government to sign agreements with the provinces whereby it will contribute financial assistance towards the construction of major projects for the conservation and control of water resources under the terms and conditions specified in the Act. Such grants are not to exceed  $37\frac{1}{2}$  per cent of the cost of the project and are to be paid out of monies appropriated by Parliament for that purpose.

The actual construction work must be carried out by the province or by the local authority.

The Act also provides for ancillary conservation measures such as reforestation to be undertaken in connection with water conservation projects, wherever these measures are required to ensure the protection of natural resources in the area concerned.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES ACT, S.C. 1953-54, c.4.  
(Assented to December 16, 1953)

This Act is a revision and consolidation of the Department of Resources and Development Act, 1949 (R.S.C. 1952, c.76). The purpose of the new Act is to redefine the duties and functions of the Minister of Resources and Development so as to give greater emphasis to his responsibility for the administration and development of the North and for Eskimo affairs.

Among the duties of the Minister of Northern Affairs and National Resources are matters pertaining to irrigation projects and conservation and development of resources in the Northwest Territories and the Yukon Territory.

NORTHWEST TERRITORIES ACT, R.S.C. 1952, c.331. (Proclaimed November 18, 1954 to come into force April 1, 1955)  
"An Act respecting the Northwest Territories".

Section 13 (v) of the Act gives the Commissioner of the Northwest Territories in Council legislative powers for the government of the Territories in regard to agriculture, and authority to make regulations concerning the herding, control, protection, transfer, shipment, sale, slaughter or other disposal, of reindeer or reindeer carcasses.

YUKON ACT, S.C. 1952-53, c.53 (Assented to May 14, 1953; proclaimed November 18, 1954, effective April 1, 1955)  
"An Act to provide for the Government of the Yukon Territory".

The legislative powers that concern agriculture and which are assigned to the Commissioner of the Yukon Territory under this Act include agriculture, irrigation and local improvement districts, property rights, the preservation of game in the Territory, the levying of a tax on furs or parts of fur-bearing animals shipped or taken outside the Territory.

The Governor-in-Council may make regulations concerning reindeer.

## 2. Land Settlement

VETERANS' LAND ACT, R.S.C. 1952, c.280; S.C. 1953-54, c.66 am. (Assented to June 26, 1954; proclaimed July 22, 1954, effective August 2, 1954). "An Act to assist War Veterans to Settle upon the Land".

This Act applies to veterans of World War II, and to veterans of the Special Force under the provisions of the Veterans Benefit Act 1951, providing they can meet the requirements of the Act with regard to service and discharge. Only Parts I and III of the Act apply particularly to agriculture.

An appointed Director, responsible to the Minister of Veterans' Affairs, may for the purposes of the Act, acquire and/ or improve lands, buildings, livestock, and equipment needed by veterans to start full-time or part-time farming or commercial fishing. He may make provision for the training and instruction in agriculture of veterans eligible for assistance and, under Part I of the Act, contract to sell to the veteran, land to which the Director holds title, and improvements thereon, building materials, livestock and farm equipment which must not have cost the Director more than \$6,000. Of this amount, up to \$1,200 may be used for the purchase of livestock and equipment or commercial fishing equipment.

The principal terms of sale in Part I provide that:

- (a) the contract sale price to the veteran for his purchases must equal at least two-thirds, and the down payment must be one-tenth, of the total amount which the land, improvements and building materials cost the Director; The remaining 23-1/3 per cent, plus any amount authorized for stock and equipment, is a conditional grant and is not repayable if the veteran fulfils the terms of his contract for ten years.
- (b) the veteran's maximum repayment period for the balance of the purchase price is 25 years, and the interest rate on this balance is  $3\frac{1}{2}$  per cent per year.

A maximum of \$5,800 is available to a veteran who has a rental or purchase agreement which is satisfactory to the Director; up to \$3,000 of this amount may be used to purchase livestock and equipment. The veteran is required to pay 20 per cent down, and 40 per cent of the total cost to the Director, of livestock and farm equipment over a period of ten years. The balance of the \$5,800 available can be used for the purchase of land. The veteran is required to make an initial deposit of ten per cent and repay 50 per cent of the balance over a maximum period of 25 years.

In each case, the remaining 40 per cent of the purchase price is non-repayable if the veteran fulfils the terms of his contracts for ten years. The interest rate on the repayable amount of both contracts is  $3\frac{1}{2}$  per cent.



The Act also provides that, subject to the limitations stated, the Director may make advances, totalling \$4,400 to a veteran on the security of the land owned and farmed by him, to discharge encumbrances, purchase livestock and equipment and effect permanent improvements. The total advance may not exceed 60 per cent of the value of the land, and advances for purchase of livestock and farm equipment may not exceed 50 per cent of the value of the land, to a maximum of \$2,500. The amount advanced is fully repayable over a maximum amortization period of 25 years at  $3\frac{1}{2}$  per cent interest, or in full at any time.

Part III, added to the Act in 1954, provided for an additional maximum loan of \$3,000 to full-time farmers, settled or to be settled, and of \$1,400 to part-time farmers who may be settled in the future, for erecting or improving buildings on land being purchased under contract, for clearing, breaking, draining, fencing or making permanent improvements to such land, or purchasing additional land for use with land under contract. Repayment of the full amount of the loan may be amortized over a period not to exceed the remaining period of the veterans' existing contract, with interest at five per cent. The veteran must contribute an amount equal to one-half the amount of the loan, but this may be in the form of an equity or increase in value on a property where the veteran had the equity at the time he was settled under the V.L.A. or where his improvements to the property cost the Director nothing. If the contribution is in cash, it is disbursed with the additional loan, making available up to \$4,500. ]

Thus, the maximum financial assistance available under the Act to a full-time farming veteran will be \$10,500, of which, the veteran is required to contribute up to \$2,100. A veteran who becomes a part-time farmer or commercial fisherman, may obtain up to \$8,100, of which he is required to contribute \$1,300.

In addition, some of the regulations under the Act provide that:

- 1) the minimum acreage for a part-time farm or small holding shall be two acres if the value of the land and services exceeds \$500 per acre, or three acres if the value is \$500 or less, but in some cases these minimum acreages may be reduced by as much as 20 per cent by the Director;
- 2) no sales of, or advances for, livestock and farm equipment shall be made by the Director unless the veteran has reasonable need of these chattels;
- 3) for part-time farmers obtaining loans under Part III of the Act, or in cases where deletions have been permitted in a construction contract the cost of livestock and farm equipment shall not exceed the greater of \$300, or \$100 per tillable acre to a maximum of \$600;



- 4) a veteran purchasing property to engage in full-time farming, must immediately begin personal operation of the land under contract and continue to do so for the next ten-years;
- 5) a veteran purchasing property to be used in his occupation as a commercial fisherman or as a part-time farmer must immediately begin actual residence on the property and continue to reside there for the following ten years;
- 6) veterans in the wheat-growing areas of Western Canada may enter into a crop-share agreement with the Director for the repayment of their contract debt by delivering to his order up to six bushels of wheat per acre per year, or in years in which the wheat yield exceeds 18 bushels per seed acre, the veteran may elect to deliver more than six bushels per acre. Provision is made to adjust the account when proceeds of the grain delivered are more or less than is required to meet the current instalment;
- 7) commercial fishing equipment for use in one commercial fishing enterprise may not be sold on a joint basis to more than two veterans.

The veteran must keep buildings on property which he has contracted to buy fully insured in favor of the Director and pay all lawful rates, taxes and assessments on it, or the Director will do so and charge  $3\frac{1}{2}$  per cent interest from the date on which payment was made.

With the approval of the Governor-in-Council, under Part I of the Act, the Minister of Veterans' Affairs may enter into agreements with the provinces or with the Minister of Northern Affairs and National Resources for the settlement of veterans on suitable provincial or crown lands. The Director may grant a maximum of \$2,320 to these veterans for clearing and breaking land and for the purchase of building materials, construction, household equipment, livestock, and machinery or equipment for farming, fur farming and fishing. [This grant is not repayable if the veteran fulfils the terms of settlement for a ten year period.]

The regulations provide that under this section of the Act a grant of up to \$1,200 may be made to any veteran in a group of not more than ten veterans, for the purchase of necessary farm machinery or machinery and equipment essential to forestry, to enable them to conduct joint operations in farming or forestry.

A grant not exceeding \$2,320 may be made to an Indian veteran who settles on Indian Reserve lands, to be used for the same purposes enumerated in the preceding paragraph. However, he may also use this

grant for the acquisition of occupational rights to lands, vacant or improved, located within the boundaries of any Indian Reserve.

The Act authorizes the Director to sell all or part of the property, including stock and equipment, with the consent of the veteran to whom this property was originally sold, to another qualified veteran or to any other person. Before a veteran's purchase agreement may be terminated because of non-payment of instalments or other reasons the circumstances must be referred to a three member provincial advisory board for decision.

The Governor-in-Council may appoint regional or provincial advisory committees to advise the Director on matters such as the qualifications of veterans and the selection of lands.

The Statute Law Amendment (Newfoundland) Act of 1949 extends the Veterans' Land Act to include veterans of the naval or military forces of Newfoundland. However, any benefits that would otherwise be available to a member of the forces of Newfoundland under the Veterans' Land Act are reduced by the amount of similar benefits that he may have received from a government other than that of Canada.

The Act provides penalties for violations of the provisions.

SOLDIER SETTLEMENT ACT, R.S.C. 1927, c.188; 1928, c.48 am; 1930, c.42 am; 1931, c.53 am; 1932, c. 53 am; 1932-33, c.49 am; 1934, c.41 am; 1935, c.66 am; 1936, c.10 am; 1938, c.14 am; 1946, c.33 am; 1950, c.50 am.  
"An Act to assist Returned Soldiers in Settling upon the Land."

The Veterans' Land Act 1942 for World War II veterans is the successor to the Soldier Settlement Act of 1919 and its subsequent amendments for the veterans of World War I. The Soldier Settlement Act provided for the free grant of a quarter section of any Dominion lands reserved pursuant to this Act, and for the purchase and sale to veterans of farms not exceeding 320 acres except in special circumstances and livestock for which loans up to \$2,000 could be made repayable in seven years. Up to \$1,000 could also be loaned for permanent improvements. The Act provided for the full amount of the funds loaned to be repaid in 25 equal annual instalments with interest at five per cent per year.

No settlement of veterans has been made under the provisions of this Act since 1924 but some contracts are still in force.

PUBLIC LANDS GRANTS ACT, R.S.C. 1952, c.224.  
"An Act respecting Grants of Public Lands".

Under the terms of this Act the Governor-in-Council is empowered to authorize the sale, lease or other disposition of any public lands that are not required for public purposes and for the disposition of which there is no other provision in the law.

TERRITORIAL LANDS ACT, R.S.C. 1952, c.263.

"An Act respecting Crown Lands in the Yukon Territory and the Northwest Territories".

Subject to this Act the Governor-in-Council may authorize the sale or lease or other disposition of territorial lands that are under the control, management and administration of the Minister of Northern Affairs and National Resources and may make regulations authorizing the Minister to sell, lease or otherwise dispose of territorial lands subject to such limitations and conditions as the Governor-in-Council may prescribe.

Limitations are placed on the area of territorial lands sold or leased to an individual, particularly in the case of hay lands or those suitable for grazing. Permits must be obtained to cut timber on territorial lands.

### 3. Land Tenure

LAND TITLES ACT, R.S.C. 1952, c.162.

This Act applies to lands in the Northwest Territories and in the Yukon. Provision is made for the establishment of registration districts and a Land Titles Office in each such district. Regulations are set out regarding the registration of lands.

IV.- FARM CREDIT FACILITIES AND GOVERNMENT RELIEF ASSISTANCE

CANADIAN FARM LOAN ACT, R.S.C. 1952, c.36 and c.309 am.

"An Act for the purpose of establishing in Canada a system of Long Term Mortgage Credit for Farmers."

Part I of this Act provides for the establishment of the Canadian Farm Loan Board, one of the members<sup>of</sup> which is to be Commissioner and Chairman of the Board. The Board is empowered to make long-term loans to persons whose principal occupation is, or will soon be, farming on the security of first mortgages on their farm lands <sup>1/</sup> subject to the conditions prescribed in the Act. On the approval of the Governor in Council the Board may make regulations consistent with the provisions of the Act. Loans may be made up to 60 per cent of the Board's appraised value of such land and the buildings thereon, but the maximum loan is limited to \$10,000.

The proceeds of loans made under this Part of the Act may be used only for the following purposes:

- (a) to purchase farm land;
- (b) to purchase fertilizers, seed, livestock, tools, machinery and any implements and equipment necessary to the proper operation of the farm mortgaged;
- (c) to erect farm buildings or to clear, drain, fence or make any other permanent improvement tending to increase the productive value of the land;
- (d) to discharge liabilities already accumulated;
- (e) any purpose which in the judgment of the Board may be reasonably considered as improving the value of the land for agricultural purposes.

However, no loan shall be made on the security of unimproved land except for the purpose of making improvements thereon. Loans must be repaid within 25 years, and all loans repayable in more than five years shall be repayable in equal annual or semi-annual instalments of principal and interest.

The Act further provides for the establishment of the Canadian Farm Loan Advisory Board consisting of not less than five and not more than ten members to be appointed by the Governor in Council. The duties of the Advisory Board are to consider, discuss with and make recommendations to the Canadian Farm Loan Board concerning the lending policies of the Board, the principles underlying the valuation of farm property and the conditions affecting or that may affect lending policy or outstanding or future loans.

Part II of the Act provides that the Board may in any case where it lends on the security of a first mortgage, make a further loan

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<sup>1/</sup> Farmers must, therefore, have title to the land to obtain loans under this act.



for a period of not more than six years on the security of a second mortgage on the farm lands and, in those provinces where chattel security may be taken, of a charge on livestock and other personal property. The amount so advanced may not exceed one-third of the amount that was advanced by the Board on the security of the first mortgage. Loans made under Part II may be used only for the same purposes as loans made under Part I.

Interest rates on loans are as follows:

On first mortgage loans, five per cent;  
Arrears on first mortgage,  $5\frac{1}{2}$  per cent;  
On second mortgage loans,  $5\frac{1}{2}$  per cent.

The aggregate of loans made to any one borrower under Parts I and II of this Act may not exceed, where chattel security is taken, 70 per cent of the appraised value of the land and buildings in respect of which security is taken, and, where chattel security is not taken, 65 per cent of the said value, and may not in any case exceed \$12,000.

FARM IMPROVEMENT LOANS ACT, R.S.C. 1952, c.110; 1952-53, c.36 am. (Assented to May 14, 1953 but Part II did not come into force until September 15, 1953.

"An Act to encourage the provision of Intermediate Term and Short Term Credit to Farmers for the Improvement and Development of Farms, and for the Improvement of Living Conditions thereon."

In this Act "farm improvement loan" means a loan made by a bank to a farmer 1/ for the purpose of financing;

- (a) the purchase of agricultural implements;
- (b) the purchase of livestock;
- (c) the purchase or installation of agricultural equipment or a farm electric system;
- (d) the alteration or improvement of a farm electric system;
- (e) the erection or construction of fencing or works for drainage on a farm;
- (f) the construction, repair or alteration of, or making of additions to, any building or structure on a farm; or
- (g) any work for the improvement or development of a farm, designated in the regulations.

Security is taken at the time the loan is made or pursuant to a written promise or agreement to give such security. The appropriate security depends upon the type of loan granted and is determined by regulations which may be made by the Governor in Council on

1/ A farmer must hold title to the land to obtain a loan under the provisions of this Act.



the recommendation of the Minister of Finance. Conditions on which loans may be obtained, the classes of loans, the interest rates and repayment terms are prescribed by regulation.

The Act provides that the Minister of Finance may pay to a bank the amount of loss sustained by it as a result of a farm improvement loan if the loan had been made in accordance with the provisions of the act; it also establishes limitations on the liability of the government in regard to bank losses on guaranteed loans.

BANK ACT, 1954, S.C. 1953-54, c.48 (Assented to June 26, 1954; proclaimed in effect July 1, 1954).

"An Act respecting Banks and Banking".

This act replaces the Bank Act, R.S.C. 1952, c. 12.

For the purposes of the Act:

"Farm" means land used for the purpose of farming, which includes livestock raising, dairying, fruit growing and all tillage of the soil, and "farmer" includes the owner, occupier, landlord and tenant of a farm. "Agricultural equipment" and "Agricultural implements" are defined in the Act and, in general the latter includes farm machinery and tools, appliances of a kind usually or not usually affixed to real or immovable property, vehicles for carrying agricultural products, portable granaries, and some movable farm household appliances. "Farm electric system" includes all machinery, apparatus and appliances for the generation or distribution of electricity on a farm whether or not affixed to real or immovable property. "Products of agriculture", as defined for the purposes of the Act, includes grain, hay, roots, fruits and vegetables, other crops, honey and maple products, livestock (alive or dead), dairy products, eggs and all other direct or indirect products of the soil, in any form or state.

Except as authorized by or under this Act, the National Housing Act, 1954 or the Farm Improvement Loans Act, a bank can not lend money or make advances upon the security of real or immovable property. However, a bank may lend money and make advances to any farmer:

- a) upon the security of threshed grain grown on the farm;
- b) for the purchase of seed grain or seed potatoes, upon the security of the seed grain or the seed potatoes and any crop to be grown from them;
- c) for the purchase of fertilizer, upon the security of the fertilizer and any crop to be grown from land on which, in the same season, the fertilizer is to be used;
- d) for the purchase of binder twine, upon the security of the binder twine and the crop in the harvesting of which the binder twine is to be used;

- e) or to any person engaged in livestock raising, upon the security of the livestock, but when such livestock is exempt from seizure under writs of execution under any statutory law that was in force on July 1, 1923, such security is ineffective;
- f) for the purchase of agricultural implements, upon the security of such agricultural implements;
- g) for the purchase or installation of agricultural equipment or a farm electric system, upon the security of such agricultural equipment or farm electric system;
- h) upon the security of agricultural implements for: the alteration or improvement of a farm electric system; the erection or construction of fencing or drainage works on a farm; the construction, repair or alteration of, or making of additions to, any building or structure on a farm; and for any works for the improvement or development of a farm for which a farm improvement loan as defined in the Farm Improvements Loan Act may be made; but any such security taken on agricultural implements is not effective in respect of any items that at the time the security is taken are exempt from seizure under writs of execution under any statutory law that was in force on September 1, 1944.

If the borrower fails, inter alia,

- 1) to repay the loan or advance;
- 2) to take care of or harvest the crops, or care for the livestock on which the security was given;
- 3) to care for, or obtain authority from the bank for disposal of the property on which security was given;

the bank may take possession of, seize, remove or sell the property covered by the security, or acquire and hold an absolute title in or to such property mortgaged or hypothecated to it as security for farm improvement loans and may care for crops or livestock and harvest or thresh the grain. The provisions which apply when security is given to the bank and under which the bank may take security, are stated in the Act.

Interest rates on advances or loans payable in Canada may not exceed six per cent per annum.

FARMERS' CREDITORS ARRANGEMENT, ACT. R.S.C. 1952, c. 111.

"An Act to facilitate Compromises and Arrangements between insolvent Farmers and their Creditors" (and also to simplify the operation of the Bankruptcy Act with respect to farmers generally).

In this Act "creditor" includes a secured creditor and any person to whom a farmer owes any debt and includes the Crown, as well in right of any province as in right of Canada, and "court" means the county or district court of the county court district or judicial district in which the farmer resides.

Where a farmer residing in Alberta, Manitoba or Saskatchewan

- (i) who did not make a proposal under the Farmers' Creditors Arrangement Act, 1934, or
- (ii) who made a proposal under the Farmers' Creditors Arrangement Act, 1934, pursuant to which a composition, extension of time or scheme of arrangements was approved by the court or confirmed by the Board of Review on or before December 31, 1938,

is unable to meet his debts as they become due, if two-thirds of the total amount thereof is owing by him in respect of debts incurred before May 1, 1935, he may make a proposal under this Act for a composition, extension of time or scheme of arrangement either before or after an assignment under the Bankruptcy Act.

Such a proposal filed by a farmer and approved by the creditors, when approved by the court, shall be binding upon the creditors and the farmer. Where a farmer has made a proposal which has not been approved by the creditors or where the court has refused to approve a composition, extension of time or scheme of arrangement submitted to it pursuant to a proposal, the court shall, on the written request of a creditor or of the farmer, endeavour to formulate an acceptable proposal to be submitted to the creditors and the farmer and may cause it to be binding upon them. The farmer may not dispose of any of his land or interest therein within three years after the date on which the composition, extension of time or scheme of arrangement was approved, except with the permission of the court.

An appeal may be taken from any judgment or order of the court made in any proceedings under this Act pursuant to a proposal, to the Appeal Court in the province in which the court has jurisdiction and a decision of the Appeal Court shall be final.

No farmer is entitled to make more than one proposal under this Act.

The Act further provides that whenever any rate of interest exceeding seven per cent is stipulated for in any mortgage of farm real estate, if the person liable to pay the mortgage pays to the person entitled to receive the money the amount owing on such mortgage and interest to the time of payment, together with three months' further interest in lieu of notice, no interest shall, after this three months' period, be chargeable in respect of the said mortgage at any rate in excess of five per cent per year.

If a farmer fails to carry out the arrangements approved by the court under this act, except when his failure is the result of causes beyond his control, the court may, on the application of the creditor, annul the composition, extension of time or scheme of arrangement, and Part II of the Bankruptcy Act shall then apply to the farmer. The Act is administered by the Minister of Finance.



NATIONAL HOUSING ACT, 1954. S.C. 1953-54, c.23 (Assented to March 18, 1954, proclaimed in force effective March 22, 1954).

"An Act to promote the Construction of New Houses, the Repair and Modernization of existing Houses, and the Improvement of Housing and Living Conditions".

This legislation authorizes the Central Mortgage and Housing Corporation to insure mortgage loans made by approved lenders to help finance residential construction in urban and rural areas.

"Lender" includes loan, insurance, trust or other companies or corporations, trustees of trust funds, building societies, credit unions or other co-operative credit societies authorized to lend money on the security of real or immovable property, and banks. To make loans under the Act a "lender" must be approved by the Governor in Council. The Corporation also, may make loans.

For purposes of the Act a farm is defined as "land used for any tillage of the soil, including livestock raising, dairying, and fruit growing".

Mortgages must fulfil statutory requirements and the regulations before the Corporation will insure them against default.

When made to assist in the construction of a house on a farm, a loan is insurable if it does not exceed the lesser of \$10,000 or two-thirds of the appraised value of the farm, together with the amount of the insurance fee paid in respect of the loan, and meets the other requirements of the Act and regulations. At the time an approved loan or an instalment of it is made, the farm owner must pay an insurance fee. The fee is  $1\frac{3}{4}$  per cent of the amount loaned, or two per cent of each instalment if the loan is an instalment loan. This fee is added to the amount of the loan and is amortized with it.

The Governor in Council may by regulation:

- a) determine the maximum loan;
- b) set the minimum period of amortization of an insured loan;
- c) subject to the provisions of the act, determine maximum charges that an approved lender or holder of an insured loan may make concerning the loan;
- d) "make provision for any matters concerning which he deems regulations are necessary or desirable to carry out the purposes or provisions" of Part I of the Act.

The Act requires that the term of an approved loan shall be "at least 25 years but not more than 30 years, or for ... less than 25 years if the borrower so requested in writing or if permitted by the regulations".

The maximum rate of interest on insured loans is set by the Governor-in-Council. On loans to build houses on farms it was originally  $5\frac{1}{2}$  per cent, but effective February 17, 1955 it was reduced to  $5\frac{1}{4}$  per cent.



Prepaid monthly tax instalments in the hands of approved lenders shall bear interest at the savings account rate of chartered banks. With the approval of the Corporation, borrower's charges may be added to the principal of an approved or an insured loan.

Home improvement and home extension loans do not include farm improvement loans as defined in the Farm Improvement Loans Act.

PRAIRIE FARM ASSISTANCE ACT, R.S.C. 1952, c.213; 1952-53, c.46 am.  
"An Act to Assist Agriculture in the Prairie Provinces."

This Act applies to farmers in a year of crop failure, in the spring wheat area of Canada which includes the three Prairie Provinces and the Peace River District of British Columbia, and to certain crown lands in the northern parts of Manitoba and Saskatchewan granted or sold after December 31, 1940.

Subject to this Act the Minister of Agriculture may in any crop year award to any person who was a farmer from May 1 to November 1 in such year, a sum by way of assistance in a year of crop failure according to his cultivated land in a township with respect to which an application for assistance has been made by the rural municipality in which that township is situated or, in case there is no such rural municipality, by the government of the province in which that township is situated. However, no award under this Act may be made with respect to more than one-half of the cultivated land of the farmer up to a maximum of 200 acres.

In order to qualify for assistance under the Act a township must have an average wheat yield of eight bushels or less per acre. While the township is the basis of payment, in special circumstances payments may be made on the basis of half a township, that is to say, a rectangular block of 18 or more sections of land. Also, under certain conditions set down in the Act, a block of six or more contiguous sections of land in an ineligible township may be brought into payment or a block of six or more contiguous sections of land in an eligible township may be taken out of payment.

The sums to be awarded by way of assistance under this Act are to be paid in two instalments: 60 per cent in December and 40 per cent the following March, and are computed as follows:

- a) if the average yield of wheat in a township is more than four and not more than eight bushels per acre, the award is \$1.50 per acre;
- b) if the average yield of wheat in a township is four bushels or less per acre, the award is \$2.50 per acre, and the minimum payment to the individual farmer is \$200;

- (c) provision is also made for assistance in townships where the yield is between eight and 12 bushels per acre if the average price of wheat falls below 80 cents per bushel.

Wheat is used as the index to determine the average yield in a township. However, the regulations under the Act state that for a township where no wheat is grown the predominating crop of oats, barley or rye is used as the index.

The Act provides for the establishment of a Board of Review, consisting of three members, whose duty it is to determine the eligibility of any township and any farmer or class of farmers for an award under this Act. Any decision of the Board is final.

Provision is made for the deduction of a levy of one per cent from the purchase price of all western grain (wheat, oats, barley and rye) marketed in Canada. The proceeds from this levy constitute the Prairie Farm Emergency Fund out of which awards made under this Act are paid. If at any time the Fund is insufficient to pay these awards advances of the amount required to meet the deficit may be made to the Fund by the federal government.

PRAIRIE GRAIN PRODUCERS' INTERIM FINANCING ACT, S.C. 1951 (2 Sess.) c.20.  
"An Act to provide for Short-Term Credit to Grain Producers in the Prairie Provinces to meet Temporary Financial Difficulties arising from inability to complete Harvesting Operations or to make Delivery of Grain."

This Act enabled farmers to obtain bank loans up to June 1, 1952 on wheat, oats, barley, rye and flaxseed before and after cutting, harvesting and threshing, by assigning to the bank the returns from the quantities of grain listed in their permit books, until the loan was repaid.

Subject to the conditions stated in the Act, the Minister of Finance was authorized to pay to a bank, on October 1, 1952, the amount of loss it sustained on loans made and to recoup the loss by attaching any money which later accrued to the borrower's account after the grain was sold to grain producers.

CO-OPERATIVE CREDIT ASSOCIATIONS ACT, S.C. 1952-53, c.28. (Assented to May 14, 1953)  
"An Act respecting Co-operative Credit Associations".

This Act provides for the incorporation and organization of co-operative credit associations operating in more than one province. These associations will operate under the supervision of the federal superintendent of insurance. Before any such national association may operate it must come to Parliament for incorporation by a special act. The objects, powers, and restrictions on the powers of the associations

are set forth in the Act.

Under the Act a national association may not lend to any individual borrower who is a member of the association an amount in excess of ten per cent of the paid-up capital and deposits. This limitation does not apply to the member associations themselves, that is, to the provincial organizations, which may continue to lend in excess of those amounts.

QUEBEC SAVINGS BANKS ACT, S.C. 1953-54, c.41 (Assented to June 10, 1954).

In addition to other activities, the Quebec savings banks may make advances or loans, on the type of mortgage security specified, under the terms of this Act or of the National Housing Act, 1954.

This Act repealed and replaced the Quebec Savings Banks Act, chapter 232 of the Revised Statutes of Canada, 1952 and came into force on July 1, 1954, by proclamation.

## V. INCOME TAX

INCOME TAX ACT, R.S.C. 1952, c. 148; 1952-53, c. 40 am; 1953-54, c.57 am.  
(Assented to June 26, 1954).

"An Act respecting Income Taxes".

Although the provisions of the Act apply to all Canadian residents receiving revenue, this description will outline only the sections which apply specifically to farmers.<sup>1/</sup>

Every person whose chief source of income is farming or fishing must pay on or before December 31 in each taxation year, two-thirds of the tax, as estimated by him at the rates for the year, on his estimated taxable income for the year or on his taxable income for the immediately preceding year, and on or before April 30 in the next year, the remainder of the tax.

"Farming" includes tillage of the soil, livestock raising or exhibiting, poultry raising, fur farming, dairying, fruit growing and bee keeping, but does not include an office or employment under a person engaged in the business of farming.

For taxation purposes farmers and fishermen are allowed to average their incomes over a five-year period. For example, for 1954 and subsequent years the five-year period is comprised of the "year of averaging" and the four immediately preceding years for which the farmer (or fisherman) filed returns of income on time, as required under Part I of the Act. However, the earliest of these preceding years must be one of the six years immediately prior to the year of averaging. Years included in one averaging period may not be included in any later averaging period.

Losses incurred in the averaging period may be deducted from the income in the same period and an excess of losses may be carried forward to be applied against income in subsequent years. Alternatively under Section 27(i)(e), a farmer may apply a loss not offset by other income, against a profit for the previous year. Any resulting excess loss may be applied against the profits of the next five consecutive years. If losses in two or more years are to be deducted from the profit of another year, the loss of the earliest year must be deducted before the later losses can be applied. Overpayments of tax may be refunded to the farmer or applied on the next year's tax.

Farmers and fishermen may claim deductions for depreciation (called "Capital Cost Allowance" in the Act) of buildings, implements, tools and equipment used in their operations, under Parts XI or XVII of the Income Tax Regulations. Part XVII applies only to assets used in farming or fishing. However, a farmer or fisherman may claim under Part XI but having once done so cannot revert to a claim under

<sup>1/</sup> Information contained in the Farmer's and Fisherman's Guide, 1954 edition, for the preparation of T1 general Income Tax Return, issued by the Taxation Division of the Dept. of National Revenue, Ottawa, has been used as a reference in preparing this outline.



Part XVII. In addition, a special ruling by the Income Tax Department provides that a farmer who establishes a permanent herd of cattle, horses, sheep or swine may apply for approval of a Basic Herd. Animals comprising this herd may be regarded as capital assets and the proceeds from reduction of the Basic Herd are not subject to income tax.

When, through disaster, a farmer suffers damage to depreciable property which is insured, he may charge as an expense the amount spent towards repairing this damage within a reasonable time after the damage, but he must include as income the proceeds of the insurance received.

Special provision is made to exempt from paying income tax agricultural organizations, credit unions, co-operative credit societies and farmers' and fishermen's insurance companies when they fulfil the requirements of the Act.

Special rules apply to the taxation of co-operatives. Any co-operatives organized after January 1, 1947 are exempt from income tax for the first three years of their operation. To qualify for this exemption a co-operative must meet the following conditions:

- a) it was incorporated under provincial legislation respecting the establishment of co-operative corporations "for the purpose of marketing (including processing incident to or connected therewith) natural products belonging to or acquired from its members or customers, of purchasing supplies, equipment or household necessities for or to be sold to its members or customers or of performing services for its members or customers";
- b) its incorporating statute, charter, articles of association or by-laws or its contracts with its members and customers, hold forth the prospect that payments will be made to them in proportion to patronage;
- c) none of its members has more than one vote in the conduct of the affairs of the co-operative;
- d) at least 90 per cent of its members are individuals and at least 90 per cent of its shares, if any, are held by individuals;
- e) the rate of interest on capital subscribed by its members or the rate of its dividends on its shares does not exceed five per cent per annum;
- f) no more than 20 per cent of the business is done with non-members; and
- g) the business carried on by the co-operative was not a continuation of a previous business in which a substantial number of its members had a substantial interest, either as shareholders of a co-operative carrying on the previous business or otherwise.

Where a co-operative has received from the government of a province a grant that was not fixed by reference to natural products marketed, supplies, equipment or household necessities purchased or sold, or services performed by it, no amount shall be included in respect of the grant in computing its income for any year.

If co-operatives cannot qualify for total exemption (see provisions listed above) section 75 of the Act grants them the privilege of deducting from their income for tax purposes the aggregate of the payments made to customers pursuant to allocations in proportion to patronage. "Allocation in proportion to patronage" for a taxation year means an amount credited by a co-operative to a customer of that year, computed at a rate in relation to the quantity, quality or value of the goods or products acquired, marketed, handled, dealt in or sold, or services rendered by the corporation from, on behalf of or to the customer, with appropriate differences in the rate for different classes, grades or qualities thereof.

There are two basic limitations in the amount that may be deducted from income: (a) Patronage dividends to members cannot be deducted in excess of an amount equivalent to the proportion of the income attributable to business done with members. (b) Any co-operative claiming a deduction for patronage dividends may not thereby reduce its taxable income below three per cent of the capital employed in the business at the commencement of the year, less any interest paid on borrowed money, other than money borrowed from chartered banks and credit unions and deductible in computing income for the year. "Capital employed" is as defined in the Excess Profits Tax Act, 1940, except that for the purposes of this Act it shall also include all money borrowed but not money borrowed from chartered banks and credit unions.

To claim a deduction from income tax for patronage dividends the co-operative must fulfil certain conditions:

- a) It must have held forth the prospect that patronage dividends would be paid, and this prospect must have been announced prior to the taxation year by an advertisement in a newspaper, stated in contracts with its customers, or set forth in the charter, articles of association or by-laws, or in the act under which it was incorporated or registered;
- b) Patronage dividends must have been allocated in the taxation year or within 12 months thereafter, to be deductible;
- c) They must be allocated at the same rate (in relation to quantity, quality or value) for all members, and at the same rate for all non-members, but these two rates may be different.

Payment of patronage dividends may be made in several forms:

- a) in cash;
- b) by the issue of certificates of indebtedness or shares of capital stock, provided an equal amount of money has been disbursed in redeeming certificates or shares previously issued;
- c) by application against a member's debt — on account of payment for shares issued to him or in fulfilment of his obligation to make a loan to the co-operative — if the co-operative has statutory authority to do so and its by-laws so provide; or if the member so requests.

When the customer of the co-operative receives a certificate of indebtedness or a share in respect of an allocation in proportion to patronage, he must include this amount in his income for the taxation year in which he received it and not for the year in which the indebtedness was later discharged or the share redeemed.

Penalties are provided for violating the provisions of the Act or regulations thereunder.

## VI.- MARKETING OF FARM PRODUCTS

### 1. General

AGRICULTURAL PRICES SUPPORT ACT, R.S.C. 1952, c.3

"An Act for the Support of the Prices of Agricultural Products during the transition from War to Peace."

In this Act "agricultural product" means any natural product of agriculture except wheat, designated by the Governor-in-Council, and includes processed meat, dairy and poultry products if so designated.

The Act provides for the establishment of the Agricultural Prices Support Board under the direction of the Minister of Agriculture and consisting of three members appointed by the Governor-in-Council, for the hiring of other employees and for the appointment of advisory committees to assist the Board.

6 For the purposes of this Act, the Board, subject to and in accordance with regulations made by the Governor-in-Council, has authority;

- a) to prescribe from time to time, with the approval of the Governor-in-Council, prices at which the Board may purchase agricultural products in the market;
- b) to purchase at such prices any agricultural product, if such product meets standards as to grade and quality prescribed by or under any Act of the Parliament of Canada; provided that any agricultural product for which Federal Government standards have not been established may be purchased by the Board on such basis of quality as the Board may establish;
- c) to pay to the producers of an agricultural product the difference between a price prescribed by the Board for such product and the average price, as determined by the Board, at which such product is sold in the market during a specified period if such average price is below such prescribed price;
- d) to sell or otherwise dispose of any agricultural product purchased by the Board;
- e) to package, process, store, ship, transport, export or insure any agricultural product;
- f) to purchase at market or contract prices and export any agricultural product under any contract between Canada and any other government and to do all things necessarily incidental thereto;



- g) to purchase at the request of any department of the Government of Canada any agricultural product required by such department;
- h) to appoint Commodity Boards or other agents to undertake the purchase and the disposition of agricultural products.

A revolving fund of \$200 million is placed at the disposal of the Board and is maintained at that amount by annual appropriations if there is any loss during the year and, if there is any surplus, it is turned over to the Consolidated Revenue Fund annually.

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT, R.S.C. 1952, c.5.  
"An Act to Assist and Encourage Co-operative Marketing of Agricultural Products."

For the purposes of this Act "agricultural product" means any kind of grain other than wheat, milk and milk products, vegetables and vegetable products, livestock and livestock products, fruit and fruit products, poultry and poultry products, honey, maple syrup, tobacco and any other product of agriculture designated by the Governor-in-Council.

Under the terms of this Act the Minister of Agriculture may, with the approval of the Governor-in Council, by agreement with a co-operative association of primary producers, processor or selling agency, undertake that if the average wholesale price of an agricultural product of any grade or quality produced during the year and delivered to a co-operative association, processor or selling agency under one only co-operative plan, is less than the initial payment together with the actual processing, carrying and selling costs, which shall not exceed the maximum to be fixed under the agreement in the case of each grade of the agricultural product, there shall be paid to the co-operative association, processor or selling agency the amount, if any, by which the initial payment together with such costs exceeds the average wholesale price aforesaid computed on the amount of the agricultural product of such grade or quality so delivered.

The initial payment must be approved by the Governor-in-Council and may not exceed 80 per cent of the average price paid to producers according to grade and quality for an agricultural product over a period of three years immediately preceding the year of production.

No payment shall be made to primary producers subsequent to the initial payment unless such subsequent payment is first approved by the Governor-in Council.

No agreement may be made under this Act "unless the co-operative plan applies to such a proportion of the primary producers within a certain geographical area or to such a proportion of an agricultural product produced in such area that the Minister is of

opinion that the marketing of the aforesaid agricultural product under the co-operative plan will benefit the primary producers".

AGRICULTURAL PRODUCTS MARKETING ACT, R.S.C. 1952, c.6.

"An Act to provide for the Marketing of Agricultural Products in Inter-provincial and Export Trade."

Under this Act the Governor-in-Council is empowered to grant authority to any board or agency authorized under the law of any province, to exercise powers of regulation in relation to the marketing of any agricultural product locally within the province, to regulate the marketing of such agricultural product outside the province in inter-provincial and export trade and for such purposes to exercise all powers like the powers exercisable by such board or agency in relation to the marketing of such agricultural product locally within the province. However, Parts III and IV of the Canadian Wheat Board Act regulate the marketing of wheat, and Part V regulates the marketing of oats and barley, in interprovincial and export trade.

Those who violate the provisions of the Act may be penalized.

AGRICULTURAL PRODUCTS BOARD ACT, R.S.C. 1952, c. 4.

"An Act to provide for the establishment of an Agricultural Products Board."

In this Act "agricultural product" means "livestock and livestock products, poultry and poultry products, milk and milk products, vegetables and vegetable products, fruit and fruit products, honey, maple syrup, tobacco, fibre and fodder crops, and any product of agriculture designated by the Governor-in-Council as an agricultural product for the purposes of this Act".

The Agricultural Products Board as established under the provisions of this Act shall consist of not less than three and not more than seven members appointed by the Governor-in-Council. The Governor-in-Council may make regulations for putting into effect the purposes and provisions of this Act.

Subject to the regulations, the Board may, with the authority of the Governor-in-Council and under the direction of the Minister of Agriculture:

- a) sell or deliver agricultural products to the government of any country pursuant to any agreement made by the Federal Government with the government of such country, and for those purposes may purchase agricultural products and make such arrangements for the purchase, sale or delivery of agricultural products as it considers necessary or desirable;

- b) purchase or negotiate contracts for the purchase of agricultural products on behalf of the government of any country;
- c) buy, sell, or import agricultural products;
- d) by order require any person to give such information respecting agricultural products as may be necessary for the proper administration of this Act; and
- e) store, transport, or process, or enter into contracts for the storing, transportation or processing, of agricultural products.

However, except with the approval of the Governor in Council, the Board shall not sell an agricultural product pursuant to paragraphs (a) or (c) at a price lower than the purchase price thereof plus handling, storage and transportation costs.

The Act further provides that the Board may, when so appointed under the provisions of the Agricultural Prices Support Act, 1944, undertake the purchase and disposition of agricultural products for the purposes of that Act.

All money required for the buying, storing, transporting or processing of agricultural products under this Act may be advanced by the government.

Penalties are stated for anyone who gives false information about agricultural products and so prevents proper administration of the Act.

## 2. Commodities

### a. Grains and Feeds

CANADIAN WHEAT BOARD ACT, R.S.C. 1952, c.44; 1952-53, c. 26am.

(Assented to May 14, 1953)

"An Act to provide for the Constitution and Powers of the Canadian Wheat Board".

For the purposes of this Act "grain" includes wheat, oats, barley, rye and flaxseed, and "designated area" means that area comprised by Manitoba, Saskatchewan and Alberta and those parts of British Columbia known as the Peace River District and the Creston-Wyndel Areas, and such other parts of British Columbia and such parts of Ontario lying in the Western Division as the Canadian Wheat Board may designate.

Part I of the Act provides for the appointment of the Canadian Wheat Board and an Advisory Committee, and authorizes the Board to market in an orderly manner, in interprovincial and export trade, grain grown in Canada. Therefore, the Board has authority to acquire, store, transfer

transport or dispose of grain, to enter into contracts or agreements, and to establish, utilize and employ whatever marketing agencies or facilities are necessary to "sell and dispose of grain acquired by it pursuant to its operations under this Act for such prices as it considers reasonable with the object of promoting the sale of grain produced in Canada in world markets".

Conditions for delivery of grain to an elevator or to a railway car and for the issuance and use of permit books are set out in Part II, "Control of Elevators and Railways". Some of the administrative powers of the Board under this Part include authority to: prescribe railway delivery points; fix, from time to time, the quotas of each kind of grain which producers may deliver within a period; direct or prohibit deliveries of grain; provide for the allocation of railway cars available for the shipment of grain at any delivery point (other than cars placed pursuant to a car order book); make inquiries and investigations to ascertain the availability of delivery and transportation facilities and supplies of grain, and concerning all matters connected with the interprovincial or export marketing of grain.

The Governor-in-Council may by regulation extend the provisions of this Part to any area in Canada outside the designated area specified in the regulation.

Part III of the Act is entitled "Interprovincial and Export Marketing of Wheat by The Board".

In part, it provides that:

- a) until August 1, 1957, interprovincial and export trade in wheat and wheat products, are to be carried on solely by the Board or subject to regulations made by the Governor-in-Council; and
- b) each crop year after July 31, 1950 and before August 1, 1957 shall be a pool period.

The provisions of Part III have been extended to oats and barley by regulations authorized under Part V of the Act and issued for each crop year. Accordingly, there have been annual pool periods for oats and for barley in the crop years 1950-51 to 1954-55.

Therefore, the Board is authorized to undertake the marketing of wheat, oats and barley produced in the designated area, in interprovincial and export trade, and for such purposes to:

- a) buy all wheat, oats and barley produced in the designated area, offered by a producer for sale and delivery to the Board at an elevator or in a railway car in accordance with the provisions of this Act and the regulations and orders of the Board;
- b) pay to any producer selling and delivering wheat, oats or barley produced in the designated area to the Board a sum certain per bushel for each of these grains, basis in store Fort William/Port Arthur or Vancouver,



to be fixed from time to time by regulation of the Governor-in-Council in respect of:

- (1) wheat of the grade No. 1 Manitoba Northern;
- (2) oats of the grade No. 2 Canada Western; and
- (3) barley of the grade No. 3 Canada Western Six-Row;

and by the Board in respect of each other grade thereof, in proper price relationship with the said sums for the grades of these grains specified in (1), (2) and (3) above.

- (c) issue to a producer, who sells and delivers wheat, oats or barley produced in the designated area to the Board, a certificate indicating the number of bushels purchased and delivered and the grade thereof, which certificates entitle the producer named therein to share in the equitable distribution of any surplus arising from the operations of the Board with regard to the wheat produced in the designated area sold and delivered to the Board during the same pool period.

The Board shall distribute the balances remaining in its pool accounts in respect of wheat, oats and barley purchased by it during any pool period under the authority of this Part after deducting all moneys disbursed by the Board as payment for the said grains and by way of expenses incurred in connection with the operations of the Board attributable to these grains, among holders of certificates issued by the Board pursuant to this Part during the pool period, by paying upon surrender to it of each such certificate, to the person named therein, the appropriate sum determined by the Board as provided in this Act for each bushel of wheat, oats and barley referred to therein according to grade.

The Governor-in Council may authorize the Board to transfer to a current pool all wheat, oats and barley delivered during, and remaining unsold at the end of, the preceding pool period, and to close out crop accounts which have been inactive and unclaimed for more than six years.

Under the Act the Governor-in-Council may apply the provisions of Part III to wheat, oats and barley produced in any area in Canada outside the designated area.

Part IV of the Act is entitled "Regulation of Interprovincial and Export Trade in Wheat". The provisions of this Part have been extended to oats and barley for each of the crop years 1950-51 to 1954-55 by annual regulations authorized by Part V. Except as permitted under the regulations, no person other than the Board shall:

- a) export from or import into Canada or transport from one province to another, wheat, oats or barley or the products thereof, owned by a person other than the Board;

- b) sell or agree to sell, or buy or agree to buy wheat, oats or barley or the products thereof, situated in one province for delivery in another province or outside of Canada.

Before July 31 each year the Board issues regulations for the crop year beginning August 1, concerning:

- a) the issuance and use of permit books;
- b) the "sum certain" (initial payment) for No. 1 Manitoba Northern Wheat;
- c) the terms on which wheat shall be sold for domestic requirements in Canada;
- d) the extension of Parts III and IV of the Act to oats and barley for the crop year and the "sum certain" for No. 2 Canada Western Oats and for No. 3 Canada Western Six-Row barley;
- e) the delivery of wheat, oats or barley by non-producers;
- f) the transfer of producer's certificates;
- g) "licenses for export from or import into Canada, or for the purchase, sale or delivery outside of Canada" of wheat, oats or barley or the products thereof; and
- h) the designation of wheat products, oat products and barley products.

CANADA GRAIN ACT, R.S.C. 1952, c.25 & c. 308 am.  
"An Act respecting Grain".

This Act provides for the continued operation of the Board of Grain Commissioners for Canada and for the appointment of personnel needed to carry out the duties of the Board.

The Board has jurisdiction to inquire into the grading, weighing, deductions for dockage or shrinkage, delivery shortages, or deterioration in storage, of grain and into any unfair discriminatory operation of an elevator, or lack of compliance by anyone with any provision of the Act.

The Board is empowered to make regulations or orders, some of which concern: the establishment of inspection districts; the grading of specified samples of grain; the equitable distribution of railway cars among shipping points and at terminal elevators; the issuance of licenses; the delivery of grain into or out of storage; the supervision

of, and maximum charges for storage, treatment, handling of and insurance on grain; construction standards for and operation of all types of grain elevators and limitations on storage for imported grain to be shipped out of Canada.

The Act provides for the establishment of the several "statutory grades" of eastern and western grain (wheat, oats, barley, rye, mixed grain, flaxseed, buckwheat, corn, sunflower seed, soybeans, beans, peas and rapeseed) mentioned in the Schedules to the Act, for additional grades known as "commercial grades" and "off grades" and for unspecified grades for screening.

The Act further provides for the formation in July of each year of a Committee on Western Grain Standards and a Committee on Eastern Grain Standards, which shall respectively have jurisdiction to select and settle the standard samples (for domestic use and for export) to be used in the crop year commencing on August 1 following in connection with the grading of western and other grain, and the naming and defining of these grades.

Provision is made for the inspection and weighing of grain, the issuance of certificates therefor and the establishment of grain appeal tribunals at various places to handle any complaints about the grading of such grain. Stored grain may be used as security for advances. The Board may issue, and a person engaged in any of these businesses must obtain, the appropriate class of license: elevator, commission merchant's, track buyer's, or grain dealer's license.

Regulations are set out regarding the loading and carriage of grain by railways and steamships, the use of car order books and the storage and handling of grain by elevators.

Penalties are established for those who violate any of the provisions of the Act or its regulations.

GRAIN FUTURES ACT, R.S.C. 1952, c.140.

"An Act to provide for the supervision and regulation of Trading in Grain Futures."

In this Act "grain" includes wheat, oats, barley, rye, flaxseed and corn but wheat is now handled by the Canadian Wheat Board. The Board is also responsible for the marketing of oats and barley but a futures market continues to operate for both these crops. "Grain futures" means contracts negotiated by members of the Winnipeg Grain Exchange under the conditions and terms set forth by its by-laws or rules, as principals or agents, for the purchase or sale of grain to be accepted or delivered during future months in respect of which facilities for trading in grain futures have been provided by the Winnipeg Grain Exchange, but does not include contracts for the purchase or sale of cash grain.

The Governor-in-Council may extend the Act to any grain exchange in Canada trading in grain by reference to grades established under the Canada Grain Act when the principal part of such grain is shipped out of the province of production or is exported from Canada.

Under this Act the Board of Grain Commissioners for Canada is empowered to make regulations concerning registration of the Winnipeg Grain Exchange and the Produce Exchange Clearing Association Limited with the Board; the recording, and the inspection of the books, records and operation of trading transactions, and the publication of information and statistics concerning the marketing of grain.

Whenever the Board is of opinion that transactions in grain futures are causing or threatening to cause sudden or undue fluctuations in the price of any kind of grain, the Board may, by order:

- a) fix the minimum margin which shall be deposited in connection with trading in grain futures;
- b) fix the maximum amount of any kind of grain that any person may in any period of time be committed by means of grain futures to accept or deliver, unless such contracts are offset in quantity by the purchase or sale of cash grain or ownership of grain or grain products;
- c) suspend from trading privileges any member of the Exchange if in the opinion of the Board such member has been guilty of a breach of this Act or any regulations made thereunder.

The Board is also empowered to revoke or vary any rule or by-law of the Exchange which in its opinion has brought about or is threatening to bring about a condition which is prejudicial to the public interest arising from trading in grain futures. The Board may also hear and determine Grain Exchange Committee appeals arising out of the alleged failure by any person to make delivery of grain in accordance with the terms of a grain futures contract.

Penalties are provided for violating the provisions of the Act.

WHEAT CO-OPERATIVE MARKETING ACT, R.S.C. 1952, c. 294.  
"An Act to Encourage the Co-operative Marketing of Wheat."

This Act applies to spring wheat grown in the provinces of Manitoba, Saskatchewan, Alberta or British Columbia.

The Act provides that the Minister of Agriculture may, with the approval of the Governor-in-Council, by agreement with any selling agency, "undertake that if the average sale price of all wheat of any



grade grown in a crop year delivered to the selling agency under one only co-operative plan is less than a sum certain per bushel to be fixed by the agreement in the case of each grade of wheat, but which sum certain shall, in the case of wheat of the grade No. 1 Manitoba Northern in store Fort William, be 60 cents, there shall be paid to such selling agency the amount, if any, by which the initial payment together with storage, carrying and transportation charges and operating expenses exceeds the average sale price aforesaid computed on the number of bushels so delivered provided, however, that the initial payment shall not, in the case of wheat of any grade, exceed the sum certain per bushel aforesaid, fixed by the agreement for such grades of wheat, and provided further that the maximum that may be paid hereunder shall not exceed the difference between the average sale price aforesaid and said sum certain per bushel fixed by the agreement for such grade of wheat computed as aforesaid".

No payment other than the initial payment shall be made to primary producers by a selling agency without the approval of the Governor-in-Council. He may also make regulations concerning the terms and conditions of the agreements.

INTERNATIONAL WHEAT AGREEMENT ( Ratified by the House of Commons on April 27, 1953 and by the Senate on April 28; formal instrument of acceptance deposited in Washington May 18, 1953).

This three-year I.W.A. came into effect on August 1, 1953. It replaces the previous agreement in force for the crop years 1949-50 to 1952-53 inclusive.

The objectives of the agreement are to assure supplies of wheat to importing countries and markets for wheat to exporting countries, at equitable and stable prices.

Quantities of wheat (including wheat flour) which signatory exporters guarantee to sell and importers to purchase in each crop year of the agreement are listed.

Provision for the adjustment of these quantities is made if countries:

- (a) withdraw from the agreement;
- (b) are unable to meet or are in default of the whole or part of their guaranteed quantities;
- (c) are in balance of payments difficulties;
- (d) exporting and importing wheat mutually agree to do so, subject to approval by the Council.

Canada's allocation for export under the agreement is 163.2 million bushels for the 1953-54 crop year and 152.3 million for the 1954-55 crop year, a decrease from the 235 million bushel annual allocation under the previous I.W.A. because the United Kingdom did not sign the new agreement.

Maximum and minimum prices for the three years of the agreement are \$2.05 and \$1.55 (basis Canadian currency at the parity of the Canadian dollar, determined for the purpose of the International Monetary Fund as at March 1, 1949) per bushel respectively, for No. 1 Manitoba Northern wheat in bulk, in store Fort William/Port Arthur. Appropriate differentials are provided for other grades and other delivery points.

Transactions under the agreement are voluntary at prices mutually agreed between the buyer and the seller within the maximum - minimum price range. Member exporting countries are obligated to sell their respective guaranteed quantities at the maximum agreement price and member importing countries to buy their guaranteed quantities at the minimum agreement price if requested to do so through the Council. No importing country shall purchase under this agreement more than 90 per cent of its guaranteed quantity for any crop year before February 28 of that crop year, without the permission of the Council.

The International Wheat Council established under the 1949 agreement will continue to function for the purpose of administering the agreement, and its expenses shall be met by proportional annual contributions from the exporting and importing countries, based on the guaranteed quantities of each country.

Provision is made for amending the agreement and for withdrawal from participation by member countries.

#### b. Livestock and Livestock Products

LIVE STOCK AND LIVE STOCK PRODUCTS ACT, R.S.C. 1952, c.167.

"An Act respecting Stockyards, Live Stock and Live Stock Products and Poultry Production."

In Part I ("stockyards") of this Act "live stock" means horses, cattle, sheep, swine, and fur-bearing animals raised in captivity. It also states that provisions of the Animal Contagious Diseases Act and the Criminal Code will apply in cases where they are relevant.

Under Part I the Governor in-Council may make regulations prescribing the manner in which stockyards and packers' yards shall be constructed, equipped, maintained and operated. Every stockyard and packer's yard is subject to inspection at all times by inspectors appointed and given specific powers under this Act. All rules and regulations to be adopted on a stockyard must be approved by the Minister of Agriculture before they can become effective.

This Part further provides that every proprietor of a stockyard has the authority to prescribe the terms and conditions under which any person, co-operative association, commission merchant or dealer shall be permitted to transact business on his stockyard, and, if a live stock exchange is operating in connection with a stockyard, the terms and conditions shall require that a co-operative association, commission merchant or dealer shall be a member of such live stock exchange. However, any farmer

or drover may sell his own livestock at a stockyard on his own account but a proprietor is prohibited from buying or selling live stock on his stock-yard

In Part II ("Live Stock and Live Stock Products") of this Act "live stock" means cattle, sheep, swine and fur-bearing animals raised in captivity and live poultry; "live stock products" means meat, raw hides and skins, raw furs, dressed poultry, eggs or wool; and "poultry" means domestic fowl, guinea fowl and pigeons.

Part II provides that the Governor-in-Council may, with respect to any live stock or live stock product produced within or imported into Canada, make regulations:

- a) prescribing standards of quality and grades;
- b) respecting inspection, grading, packing, packaging, labelling, branding and marking;
- c) respecting the shipping and transporting of any live stock or live stock product;
- d) prescribing from time to time the quantity, quality, grade or class that may be exported, and the quality, grade or class that may be imported;
- e) providing for the establishment of a service for the marketing of live stock on a basis of carcass grades;
- f) requiring any person exporting any live stock or live stock product to obtain a license;
- g) requiring any person engaged in the grading of any live stock or live stock product to obtain a certificate;
- h) prescribing the grades of eggs that may be broken or dried in an egg-drying plant.

Part II also requires that all live stock and live stock products shall be made available for inspection and grading as required by the regulations, assigns powers to the inspectors and provides penalties for those who violate the provisions of the Act.

Under Part III of this Act, dealing with poultry production, "poultry" means domestic or wild fowl or birds. This Part provides that the Governor-in-Council may make regulations:

- a) prescribing the Dominion Poultry Improvement Program for the improvement of poultry stock and the eradication of disease therein;
- b) prescribing the standards and grades for chicks, poultry and hatcheries;
- c) prescribing where and when the Dominion Hatchery Approval Policy and the regulations thereunder under the Dominion Poultry Improvement Program shall be in force;
- d) prescribing measures for sanitation in or about hatcheries;
- e) prescribing measures for inspection, banding and marketing of chicks and poultry;

- f) prescribing the method of applying the pullorum test and the period during which it shall be deemed effective.

No person shall operate a hatchery within a province in which the Dominion Hatchery Approval Policy has been proclaimed unless he has secured a permit from the Minister. The shipment of chicks from any place in Canada into any province in which the Dominion Hatchery Approval Policy has been proclaimed under this Act is forbidden unless such chicks have been produced and labelled as required under such Policy, and, if such province has made pullorum testing a requirement of its flock approval policy, unless such chicks were produced in approved hatcheries using only eggs from flocks approved under a provincial flock approval policy which, in the opinion of the Minister, requires pullorum tests as stringent as those of the province into which such chicks are to be shipped.

LIVE STOCK SHIPPING ACT, R.S.C. 1952, c.169.

"An Act respecting the Shipping of Live Stock."

For the purposes of this Act, a "ship carrying live stock" means any ship employed in carrying live stock from any port in Canada to any port out of Canada, not being a port in the United States, St. Pierre or Miquelon, Bermuda, the West Indian Islands, Mexico, or South America.

This Act empowers the Governor-in-Council to make regulations for the health, security and safe carriage of live stock on ships, to prescribe a fee to be paid on each head of livestock shipped, before clearance is granted and to appoint inspectors to carry out the provisions of this Act.

No Customs officer may grant a clearance to any ship carrying live stock until he receives the certificate of an inspector certifying that the ship is seaworthy and meets all the requirements of the act and regulations concerning the space and arrangements for the healthy and safe carriage of livestock, and the number on board.

Penalties for violation of the Act are provided.

CANADA DAIRY PRODUCTS ACT, R.S.C. 1952, c.22 and c.305 am.

"An Act to Establish National Standards for Dairy Products and to Regulate Interprovincial and International Trade in Dairy Products."

For the purposes of this Act "dairy product" means milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice cream, malted milk, sherbet, or any other product manufactured wholly or mainly from milk.

Under Part I of the Act, entitled "Standards", the Governor in-Council is empowered to make regulations establishing grades with appropriate grade names for any class of dairy products, and further to:



- a) prescribe the terms and conditions on which dairy products may be graded under this Part;
- b) require, as a condition to the grading of a dairy product under this Part, that it has been produced in an establishment that complies with prescribed regulations and is registered in a prescribed manner;
- c) prescribe fees that may be charged for grading;
- d) prescribe the specifications of packages, and the manner, in which a dairy product must be packed as a condition to the use of the name of a grade so established.

Part II of the Act, entitled "International and Interprovincial Trade", provides that no person shall, without the consent in writing of the Minister of Agriculture, export from Canada or convey from one province to another, a dairy product of a class for which grades have been established under Part I unless the dairy product has been graded under that Part and is packed and marked in accordance with regulations made under that Part.

Provision is made under Part III for the appointment of such inspectors, dairy produce graders and other persons as are necessary for the administration and enforcement of this Act, and for penalties for violations of the Act or regulations.

#### MILK TEST ACT, R.S.C. 1952, c.180.

"An Act to provide for the testing of glassware used in connection with Milk Tests".

This Act contains the authority to make regulations regarding the testing and marking for accuracy, by persons designated by the Governor-in-Council, of glassware sold and used in connection with the testing of milk and cream. Penalties may be imposed for offences against the Act or its regulations.

#### CHEESE AND CHEESE FACTORY IMPROVEMENT ACT, R.S.C. 1952, c.47.

"An Act to Encourage the Improvement of Cheese and Cheese Factories."

This Act provides for the payment of a grant, not exceeding 50 per cent of the amount actually expended, for new material, new equipment and labor utilized in constructing, reconstructing and equipping cheese factories that are eligible for a subsidy under this Act, provided that the cheese ripening room is efficiently insulated, or efficiently insulated and mechanically refrigerated, and that each of such factories replaces two or more existing cheese factories which cease operations before payment of the grant.

A grant may also be made of a sum not exceeding 50 per cent of the amount actually expended for efficiently insulating, efficiently insulating and enlarging, if necessary, and efficiently insulating and

mechanically refrigerating, cheese ripening rooms of existing factories or new factories and for new equipment and essential parts of cheese pressing equipment required for the purpose of standardization of the diameter of cheese.

The Governor-in-Council may make regulations governing the construction and equipment of factories, the standardization of cheese presses, the terms and conditions of grants and premiums and penalties for violation of any regulation.

The Act further provides that the Governor-in-Council may grant to cheese factories, for distribution among producers in accordance with regulations, a sum of one cent per pound on all cheese that scores 93 points on grading, and a sum of two cents per pound on all cheese that scores 94 or more points on grading or scoring by a grader.

c. Fruit, Vegetables, Honey and Maple Products

FRUIT, VEGETABLES AND HONEY ACT, R.S.C. 1952, c.126.  
"An Act respecting Fruit, Vegetables and Honey."

For the purposes of this Act "produce" means fruit or vegetables as defined in the Act, and honey.

This Act empowers the Minister of Agriculture to make regulations:

- a) classifying and establishing grades for each kind of produce;
- b) with respect to the inspection, grading, packages and packing, marking, shipment, advertisement and sale of produce produced within or without Canada;
- c) prescribing fees for inspection, registration and licensing;
- d) prescribing when and where any regulation shall be in force;
- e) with respect to the registration of packers and of persons assembling honey;
- f) with respect to the licensing of brokers, commission agents and dealers;
- g) with respect to the cleanliness and sanitation of all premises in which produce is graded or packed or in which honey is assembled, graded or packed.

The Act provides that all produce intended for canning in any establishment in which produce is canned or preserved for food for export or interprovincial trade, must be presented for inspection and grading as provided by the regulations.

Every commission agent, dealer and broker who deals in fruits and vegetables shipped from a point outside the province in which he carries on business must be licensed by the Minister, and all persons who

assemble or ship honey for export or interprovincial trade must be registered in accordance with the regulations.

No person may ship, transport, pack, advertise, display, offer for sale or sell any produce that has not been graded, inspected, and if in packages, packed and marked, in accordance with the provisions of this Act and regulations; or any produce below the minimum grade for that produce except to a manufacturing or processing plant.

Provision is made for the appointment and powers of inspectors needed to enforce the Act, and for penalties against anyone who contravenes any of the provisions of the Act.

MAPLE PRODUCTS INDUSTRY ACT, R.S.C. 1952, c.172.

"An Act respecting the Manufacturing, Inspection and Sale of Maple Products."

The sale of any product which is a colorable imitation of a maple product is prohibited unless such product is marked with the manufacturer's name and address, the ingredients of such product and the words "artificially maple flavored". The sale of any adulterated maple product is prohibited.

The Act provides for the inspection of all buildings where maple syrup is manufactured, sold or served, for the registration of all plants manufacturing or packing maple products and for the licensing of any manufacturing or packing plant shipping maple products from one province to another or exporting such products from Canada. Sugar camps from which maple products are shipped to another province or are exported from Canada must also be licensed by the Minister of Agriculture.

The Act empowers the Minister of Agriculture to make regulations prescribing :

- a) the types of labels or markings that shall be used on containers of maple products;
- b) methods of sealing containers of maple products;
- c) grades and standards for maple sugar and maple syrup or other maple products and the conditions under which and the locations or places where they shall be graded;
- d) requirements as to cleanliness and sanitation in manufacturing or packing plants or sugar camps;
- e) chemical and physical properties and requirements of maple products;
- f) chemical or other methods of determining purity of maple products for use by official analysts.

Inspectors may be appointed to carry out the provisions, and penalties are stated for violations of the Act or its regulations.

d. Seeds

SEEDS ACT, R.S.C. 1952, c.248.

"An Act respecting the Testing, Inspection and Sale of Seeds."

Under this Act the Minister of Agriculture may make regulations prescribing:

- a) the minimum quality for seeds which may be sold under the grade names prescribed, the minimum percentage of purity of variety and the kinds of cereal, forage crop, lawn or turf grass seed, field root or garden vegetable seed sold under the provisions of the Act;
- b) the conditions under which brand names and registration control numbers for seeds may be used;
- c) the species of plants the seeds of which may be deemed to be prohibited, primary, or secondary noxious weeds; seeds or other plants, the seeds of which may be considered weeds within the meaning of this Act;
- d) the names of the varieties to be included in a list of established variety names and the methods to be followed in making propagating tests, grading and inspecting seeds and seed crops;
- e) the minimum percentage of germination for each kind of seed, below which such seeds when advertised or offered for sale shall be branded or marked as required by the provisions of this Act;
- f) whatever may be considered necessary to restrict or prohibit the importation into Canada of any seeds or plants to which this Act applies and which may within the meaning of this Act, be deemed to be not suitable for seeding or planting.

The Act prohibits the advertisement and sale, for seeding in Canada, of the seeds of cereals, forage crops, lawn or turf grasses, or other kinds of seed, or bulbs or sets of garden vegetables, that may be prescribed by regulation, unless each container thereof, or durably attached tag or label, is marked with the name and address of the seller, the name of the kind or kinds, the brand name or mark if any, the name of the variety when known, the name of the grade, the letter and serial number of the seed inspection certificate, or the serial number of the control sample certificate or the registration control number and the origin of production. Grade names and standards are prescribed for pedigreed and non-pedigreed seed.

Seeds of field roots or garden vegetables that are not sold under a grade name are required by regulation to be labelled with the following: the name and address of the seller, the name of the kind and variety or type, the year in which the seed was tested for germination, the percentage of germination when it is below the minimum prescribed by regulation, and the origin of production.



The Act further provides that seeds or plants of cereals, potatoes, forage crops, lawn or turf grasses may not be sold for seeding or planting in Canada under any variety name that is not included in a list of established varieties prescribed by regulation, and a new variety of such seeds or plants may not be sold for seeding or planting in Canada unless such variety is licensed for sale by the Minister.

Seeds inferior to the standards prescribed by the regulations under the Act must be designated as rejected and may not be sold for the purpose of seeding in Canada.

Seeds sold for export must have been inspected and graded and bear an approved seal and a tag on which appears the name and address of the seller, the name of the kind(s) and of the variety if known, the name of the export grade as provided in the Act, the letter and number of the seed inspection certificate and the origin of production.

Seeds of any kind that may be prescribed by regulation may not be imported into Canada for the purpose of seeding unless they conform to the provisions of this Act and the regulations thereunder. The regulations require the staining of red clover and alfalfa seed to indicate the origin of production.

This Act does not apply to seed held or sold for cleaning and/or grading or to seeds of cereal grains, buckwheat, field peas, field beans and corn grown and sold by the grower on his own premises to the purchaser for seeding.

Inspectors and official analysts may be appointed for the purposes of the Act and penalties are provided for violations of its provisions.

## VII.- PROCESSING, PACKAGING AND STORING

MEAT AND CANNED FOODS ACT, R.S.C. 1952. c.177.

"An Act respecting the Inspection of Meats and Canned Foods." 1/

This Act makes compulsory the inspection of all animals intended for slaughter in an establishment or entering the slaughtering area of an establishment. Diseased animals must be slaughtered under the supervision of an inspector and these carcasses, as well as any other carcasses or parts thereof unfit for food, shall be disposed of as provided by the regulations.

Animals owned by farmers and slaughtered by them on their own premises are not subject to inspection but all carcasses wherever slaughtered, intended for export, must be inspected in accordance with the provisions of this Act. Every carcass or portion or product thereof prepared for food in any establishment where foods are prepared for export and packed in any can or package are subject to inspection during the whole course of preparation and packing.

When the inspection requirements of this Act have been complied with, all carcasses healthy and fit for food and all packaged meat or meat products shall be marked as the regulations provide.

This Act also requires that all fish, fruit or vegetables, or products thereof, or any food or food products that may be named by the Governor-in-Council, used in any establishment where these articles are prepared for export, must be sound, wholesome and fit for food. Regulations are set out regarding the marking on and type of container which may be used for any food or food products and the inspection of sanitary conditions in any premises where food is prepared for export or stored for export.

The Act further provides that "no person shall offer or accept for export or import, or shall export or import, any articles subject to inspection under this Act, unless the requirements regarding inspection and marking have been complied with in respect to such articles".

Penalties are set out for violations of the Act, e.g. selling carcasses or other items unfit for food, or false marking of packages containing articles subject to inspection under this Act.

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1/ The speech from the throne on January 7, 1955, stated that legislation would be proposed to replace the Meat and Canned Foods Act by measures to provide for the inspection of meat and for the establishment of standards for all agricultural products.

FOOD AND DRUGS ACT, S.C. 1952-53, c.38 (Assented to May 14, 1953; proclaimed June 24, 1954, effective July 1, 1954)

This Act revises and consolidates the previous amended Food and Drugs Act to remove certain anomalies and to make more specific provision for certain matters in order to recognize modern trade and manufacturing practices. It also makes specific provision for the keeping of records by manufacturers of foods, drugs or cosmetics, and prohibits the sale of foods, drugs and cosmetics that were packaged and stored under unsanitary conditions. There is no forfeiture of goods without the consent of the owner unless a judicial officer determines whether or not the goods are in conformity with the Act and whether the forfeiture should be undertaken.

Under the Act no person may sell food that is unfit for human consumption; that contains poisonous, harmful, filthy, putred or diseased vegetable or animal matter; that was manufactured or packaged under unsanitary conditions, or is below prescribed standards; that is labelled, packaged, treated, processed, advertised or sold in a deceptive manner regarding its character, value, quantity, composition, merit or safety; or that is advertised as a treatment, preventive or cure for any of the 36 diseases, disorders or abnormal physical states mentioned in Schedule A (cancer, diabetes, epilepsy, venereal disease, tuberculosis, etc.).

The Act provides for inspection of articles and any necessary procedures to be followed as a result of the inspection.

The Governor in Council may make regulations concerning; a) the adulteration of any food, foodstuff or drug; b) any or all stages of preparation, manufacture, packaging, labelling, importation and sale of foods, drugs, cosmetics and devices, to prevent misrepresentation to, or to protect the health of the purchaser; c) standards of composition, strength, potency, purity or quality of the items listed in (b); and d) the manner in which manufacturers, inspectors and analysts must comply with the provisions of the Act.

These provisions do not apply to articles which are exported, are so marked, and are certified not to contravene any law of the country of destination.

Penalties are set out for those who violate the provisions of the Act or regulations thereunder.

COLD STORAGE ACT, R.S.C. 1952, c.52 and c.313 am.

"An Act to encourage the establishment of and to regulate Cold Storage Warehouses for the preservation of perishable food products."

Part I of this Act provides that the Governor in Council may enter into contracts with any persons for the construction, equipment and maintenance, in Canada, of public cold storage warehouses equipped with mechanical refrigeration and suitable for the preservation of any food

product. The location, plans and specifications of every such warehouse, its equipment, and the amount to be expended thereon, are subject to the approval of the Governor-in-Council.

The Governor-in-Council may grant towards the construction and equipment of a warehouse in respect of which a contract has been entered into, a subsidy not exceeding  $33 \frac{1}{3}$  per cent of the amount expended or approved of in such construction and equipment, payable upon the completion of the warehouse to the satisfaction of the Minister of Agriculture and the provision therein of cold storage that is suitable for the preservation of perishable foods.

The Act further provides that the Minister may cause to be maintained an inspection and supervision of the sanitary conditions, maintenance and operation of such warehouses, and may regulate and control the temperatures to be maintained therein in accordance with the regulations which may be made under this Act. The rates and tolls to be charged for storage in such warehouses are subject to the approval of the Governor-in-Council. He may make regulations to enforce this Act and impose penalties to a maximum of \$50 on offenders.



## VIII - TRANSPORTATION

DEPARTMENT OF TRANSPORT ACT, R.S.C. 1952, c.79; 1954, c.30 am. (Assented to May 27, 1954)

"An Act respecting the Department of Transport".

The Act provides for the organization and operation of the Department of Transport and gives the Minister authority over Government railways and canals, some water transport, and civil aviation.

The Governor-in-Council may make regulations for the management, maintenance and proper use of canals, the imposition and collection of tolls upon canals and the upper St. Lawrence and on goods transported thereon, and for the enforcement of penalties against those who contravene the provisions of the Act.

The 1954 amendment added a new section, 6A, to the Act to give statutory authority to the arrangement previously in effect under P.C. 4535, 1952 by which the Governor-in-Council, on the recommendation of the Minister of Transport and in conformity with the Emergency Powers Act, could make regulations to ensure the prompt, efficient and orderly transport by water or rail of an adequate volume of goods in bulk at the time they are needed to meet domestic requirements and export commitments.

In general, these regulations concern the use, operation or supply of transport (water and rail) and storage facilities, the quantities of "goods in bulk" (which includes grain and grain products and ore, coal, wood and wood products) to be moved or stored at any time, the appointment of transport controllers and deputy controllers, and the imposition of penalties for infractions of any regulation made under Section 6A.

The Act specifies that Section 6A will expire May 31, 1956.

RAILWAY ACT, R.S.C. 1952, c.234.

"An Act respecting Railways"

Section 328(6) of this Act is the authority for the Crowsnest scheme of rates on grain and flour moving from western shipping points to Fort William and Port Arthur. The first step in the evolution of these rates was the Crow's Nest Pass Act (Chapter 5 of the Statutes of Canada of 1897). That Act stated, in part, that "there shall be reduction in the [Canadian Pacific Railway] Company's present rates and tolls on grain and flour from all points on its main line, branches, or connections, west of Fort William to Fort William and Port Arthur and all points east, of three cents per one hundred pounds ...". Today the Crowsnest rates on grain and flour are at the same level as those established under the Crow's Nest Pass Act of 1897 but their scope and application have been greatly altered. This has been done partly by statute, partly by Order of the Board of Transport Commissioners, and partly by action of the railways themselves.

Although this bulletin was intended to describe only legislation pertaining to agriculture, for the sake of clarity this summary has been extended beyond that narrow scope to give more complete information on the Crowsnest rate structure. Section 328(6) of the Railway Act made the Crowsnest rates applicable from June 27, 1925 to shipments of western grain and flour only as far east as Fort William and Port Arthur but extended the application of these rates to grain and flour moving from all points on all lines of railway west of Fort William to Fort William and Port Arthur over all lines now or hereafter constructed by any company, subject to the jurisdiction of Parliament. By Board Order the Crowsnest rates have been extended to shipments of grain and flour moving from Prairie points to Vancouver and other Pacific ports for export. The extension of these rates to shipments of grain and flour moving from Prairie points over the Hudson Bay Railway to Churchill for export was effected by the Canadian National Railways. The further application of these rates to shipments of certain by-products of the milling, distilling and brewing industries, and to certain feed products, not included within the meaning of "grain" and "flour" as interpreted in the Act, is due to the action of the railways themselves.

Section 321 of the Act authorizes the Board to require railway companies to afford sufficient facilities for the eastward movement of grain from the western provinces each year before the next harvest.

The Act states that it is the national freight rates policy that, so far as is reasonably possible, every railway company shall charge tolls to all persons at the same rate, whether by weight, mileage or otherwise for all freight traffic of the same description, carried on like cars or conveyances, passing over all lines or routes of the company in Canada (Section 336). To implement this national freight rates policy the Board may require any railway company to establish a uniform scale of mileage class or commodity rates applicable on its system in Canada, such rates to be expressed in blocks or groups, the blocks or groups to include relatively greater distances for the longer than for the shorter hauls. Exceptions to these rates are those established for grain and flour, those authorized by the Maritime Freight Rates Act and Part IV of the Transport Act, those applicable to freight traffic on the "Eastern lines" and over the White Pass and Yukon routes, joint international rates between points in Canada and points in the U.S.A., and rates on export and import traffic through Canadian ports.

The terms of Section 317 provide that the tolls (charges) for carload quantities or longer distances may be proportionately less than the tolls for less than carload quantities, or for shorter distances. However, no rate to an intermediate point may exceed a transcontinental competitive rate for the same commodity by more than one-third (Section 337).

The tariffs and tolls for freight traffic shall be subject to and governed by that classification which the Board may prescribe or authorize, and endeavor to keep uniform throughout Canada, with any exceptions which the Board may consider necessary.

A railway may, with the Board's approval, place any goods in any class or remove them to a higher or lower class, but must give the required notice in the Canada Gazette before removing them to a higher class (Section 325).

The Board has the power under this Act to fix, determine and enforce just and reasonable rates and to alter them as changing conditions or cost of transportation may require; nor is this power limited or affected by the provisions of any Act of the Parliament of Canada or by any agreement made or entered into pursuant thereto; nor shall the Board excuse any charge of unjust discrimination on the ground that it is justified or required by any agreement made by a railway (Section 328).

Every freight tariff and amendment to it shall be filed and published and notice of the issue or cancellation of any tariff shall be given in accordance with Board regulations, orders or directions (Section 333). However, under authority of Section 334 the Board may provide that any competitive rate may be acted upon and put into operation immediately upon the issue thereof before it is filed with the Board, or allow the rate to go into effect as the Board shall appoint. The Board may require a railway issuing a competitive rate tariff to furnish information establishing that the competition exists, the rates are compensatory, the rates are not lower than necessary to meet the competition, and any other information which the Board considers necessary concerning routes, rates, tonnage or revenue of the competing carriers.

Some provisions of the Act concern the protection of farm property and livestock near railways. All railway companies are required to make convenient farm crossings for persons across whose lands the railway is carried. Live stock, in using such crossings when at rail level must be in charge of some competent person who will take all reasonable precautions to avoid accidents (Sections 275-6).

In addition, except in localities in which, in the opinion of the Board of Transport Commissioners, such structures are unnecessary, all railway companies are required to erect and maintain fences  $4\frac{1}{2}$  feet high on each side of the railway with swing gates in such fences at farm crossings and also cattle-guards on each side of the highway, at every highway crossing at rail level. The persons for whose use farm crossings are furnished must keep the gates at each side of the railway closed when not in use (Sections 277-8).

Section 281 provides that live stock are not permitted to be at large on any highway within half a mile of the intersection of such highway with a railway at rail level unless they are in charge of some competent person; any live stock found at large may be impounded. Regulations are set out in Section 393 regarding payment of damages for live stock injured on the lands of a railway company or at a highway crossing.

If farm lands are injuriously affected because drainage close to the railway is inadequate, the Act makes provision for the installation of proper drainage on or near railways and for the determination of compensation



if any, payable for damage (Sections 272-3).

The Act, in Section 282, requires that every railway company shall destroy, each year, thistles and all noxious weeds growing on the right of way and upon land of the company adjoining the railway, before such thistles or weeds have sufficiently matured to seed. The company shall also keep its right of way free from dry grass, weeds and unnecessary combustible matter (Section 283) and take precautions to prevent fires occurring upon or near the right of way (Section 284).

MARITIME FREIGHT RATES ACT, R.S.C. 1952, c.174.

"An Act respecting the Canadian National Railways and the tariffs of tolls to be charged on certain Eastern lines."

For the purposes of this Act the lines of railway operated as a part of the Canadian National Railways and situated within the provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, the steamship services between Port aux Basques and North Sydney, and the lines of railway, similarly operated, in the province of Quebec extending from the southern provincial boundary near Matapedia and near Courchesne to Diamond Junction and Levis are collectively designated as the "Eastern lines". However, certain other lines of railway may be included within, or withdrawn from the "Eastern lines".

The purpose of this Act is to give certain statutory advantages in rates to persons and industries in the four provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, and, in addition, to traffic moving over those lines in the province of Quebec mentioned in the preceding paragraph, together called "select territory" in this summary.

This Act authorizes the Board of Transport Commissioners to maintain a tariff of tolls to be charged in respect of the movements of freight traffic on the Eastern lines, on the general rate level of approximately 20 per cent below the tolls or rates existing on July 1, 1927, while the cost of railway operation in Canada remains approximately the same as at the said date, but the Board may allow the increase or reduction of such tolls or tariffs from time to time to meet increases or reductions, as the case may be, in such costs of operation.

The following are preferred movements as provided for in the Act:-

- a) local traffic, all rail--between points on the Eastern lines;
- b) traffic moving outward, westbound, all rail--from points on the Eastern lines westbound to points in Canada beyond the limit of the Eastern lines at Diamond Junction or Levis-- the 20 per cent reduction shall be based upon the Eastern lines proportion of the through rate;
- c) traffic moving outward, export traffic, rail and sea-- from points on the Eastern lines through ocean ports on the Eastern lines destined for overseas.



- d) traffic moving outward westbound rail-and-lake, and also rail-lake-and-rail from points on the Eastern lines west-bound to points in Canada via ports beyond the limit of the Eastern lines at Diamond Junction or Levis—the 20 per cent shall be based on the Eastern lines proportion of the through rate for the rail mileage from the shipping point on the Eastern line west as far as Diamond Junction or Levis.

The rates specified in the tariffs of tolls in this Act provided for, in respect of preferred movements, are deemed statutory rates, not based on any principle of fair return to the railway for services rendered in the carriage of traffic.

The Act further provides that other companies owning or operating lines of railway in or extending into the select territory may file with the Board tariffs of tolls respecting freight movements similar to the preferred movements, meeting the statutory rates referred to in the preceding paragraph. The Board on approving any such tariff shall certify the normal tolls which but for this Act would have been effective and shall, in the case of each company, at the end of each calendar year ascertain and certify to the Minister of Transport the amount of the difference between the tariff tolls and the normal tolls on all traffic moved by the company during such year under the tariff so approved; and the company is then entitled to payment by the Government of Canada of the amount of the difference so certified. Provision is made for the revision by the Board every third year or at the request of the Governor-in-Council of the normal tolls referred to in the preceding sentence.

TRANSPORT ACT, R.S.C. 1952, c.271.

"An Act to establish a Board of Transport Commissioners for Canada, with authority in respect of transport by railways, ships and aircraft".<sup>1/</sup>

Under Part I of the Act:

"It is the duty of the Board to perform the functions vested in the Board by this Act and by the Railway Act with the object of co-ordinating and harmonizing the operations of all carriers engaged in transport by railways and ships ...".

"Ship" means every description of vessel, including a lighter, barge or scow, exceeding ten tons gross tonnage and navigating the Mackenzie River, and exceeding 500 tons gross tonnage and navigating other waters in Canada; and it also includes floating elevators for the application of harbor tolls to agricultural products. "Shipper" means a person sending or receiving goods by any carrier to whom the act applies.

1/ Carriage by air is regulated by the "Aeronautics Act".

For the most part this Act applies to the carriage of package freight but it also applies to the transport of "goods in bulk" (which includes grain and grain products, flour and mill feeds in bulk or in sacks and some non-agricultural items) on the Mackenzie River.

Licenses issued under the Act are based on public convenience and need for such transport, and are valid for one year. Fees payable for these licenses are set out in an approved schedule issued by the Board (and generally amount to about one cent per gross ton of cargo carried).

Part II of the Act concerns "Transport by Water" and has become effective for the Great Lakes, Mackenzie River and Yukon Territories areas by proclamation of the Governor-in-Council. This Part specifies that, unless exempted by regulations under the Act, ships must be licensed by the Board to transport goods or passengers, either directly or indirectly, between ports or places in these areas.

In general, the provision of Parts II, III and IV apply to the transport of goods or passengers on "any sea or inland water" of Canada and to the movement of goods in bulk only on the Mackenzie River.

Traffic, rates and schedules concerning goods or passengers transported by water are regulated under Part III of the Act, the provisions of which extend to water carriers substantially the same terms as accorded railways under the Railway Act. Freight rates and schedules, and supplements or amendments thereto, must be filed with, and may be approved, changed or disallowed by the Board. Equal rates must be charged to all persons for traffic of the same description and carried in like manner over the same route. The regulations provide that no freight rate may be increased on less than 30 days' notice without Board authorization. The Board may also by regulation provide for the uniform classification of freight, the issuance, operation and enforcement of freight schedules, the determination and prevention of unjust discrimination and generally, for any other matters required for the purpose of the Act.

Part IV, "Agreed Charges", states the conditions on which a carrier and a shipper may by agreement determine the charge for goods transported for the shipper by the carrier. ("Agreed charges" differ from other rates because the shipper agrees to bind over a certain percentage of his traffic to the railways for the contract period). All agreed charges must be filed with and approved by the Board and then published by the carriers. Any representative body of carriers (water or rail) who feel that an existing agreed charge unjustly discriminates against their business may request that the Board fix for their business the same rate as the original agreed charge. Penalties are provided for violations of the act.

INLAND WATER FREIGHT RATES ACT, R.S.C. 1952, c.153.

"An Act with respect to Freight Rates for the Carriage of Grain by Lake and River Navigation".

"This Act is intended to regulate the shipping rates of grain transported on Canadian lakes or rivers for interprovincial, foreign or export trade."

Shippers are required to file with the Board of Grain Commissioners a true copy of the document for carriage of the grain. The Board must tabulate all rates and tariffs received and also ascertain the freight rates that prevail, or are exacted or required for the carriage of grain from the Lakehead by inland waters to places in Canada or the United States. Then the Board shall report to the Minister of Trade and Commerce any apparent deficiency of cargo space, excessive freight charges or discrimination in rates. All shipowners and persons engaged in the grain trade must, upon request, furnish the Board with information concerning these matters, or be subject to the penalties set forth in the Act.

In cases of unreasonable, unjust or discriminatory rates, tolls or charges imposed for the carriage of grain by any person or company, the Board may prescribe maximum rates and vary them to suit conditions prevailing at any time. Penalties may be enforced against anyone charging rates, tolls or charges in excess of the maximum set by the Board.

MOTOR VEHICLE TRANSPORT ACT, S.C. 1953-54, c.59 (Assented to June 26, 1954).  
"An Act respecting Extra-Provincial Motor Vehicle Transport".

Provincial administrations are authorized by the Act to control and regulate interprovincial and international highway transport undertakings carried on within their own provinces. Therefore, an extra-provincial transport undertaking which operates into or through a province must hold an operating certificate for that province if provincial law requires that a local undertaking have one. The provincial transport board is authorized to grant this license to an operator of an extra-provincial undertaking and to regulate tariffs and tolls charged by him for extra-provincial transport of goods and passengers within the province, upon the same terms and conditions as apply to local undertakings.

The Act states that it shall come into force in a province "only upon the issue of a proclamation of the Governor in Council declaring it to be in force in that province". In practice, a province requests that the Act be declared effective within its boundaries.

On July 28, 1954 it was proclaimed that the act would become effective on August 1, 1954 in the provinces of Alberta, British Columbia, Manitoba, Nova Scotia, Prince Edward Island and Saskatchewan and on September 15, 1954 in the Province of Ontario.

Penalties are provided for persons who violate the provisions of the act, or regulations established under it by order in council.



AERONAUTICS ACT, R.S.C. 1952, c. 2 and c. 302.  
"An Act to authorize the control of Aeronautics".

Part I of the Act sets out the duties and powers of the Minister for the control and regulation of civil aviation and Part III authorizes the employment of personnel to administer the Act.

Part II of the Act authorizes the establishment of the Air Transport Board and defines its powers in regard to licensing and other matters pertaining to civil aviation. It provides that no one shall operate a commercial air service unless he holds a valid and subsisting license. Aircraft for services such as crop dusting and spraying must also be licensed and are subject to limited economic regulation.

With the approval of the Governor-in-Council the Board may make regulations concerning certain phases of the operation of commercial air services. Regulations of interest to agriculture are those which deal with the establishment and assessment of charges of air carriers for the transportation of both passengers and goods.

Under the "Commercial Air Services Regulations" issued December 22, 1954, persons who operate commercial air services ("air carriers") for the transportation of passengers and goods are required to establish, observe and enforce just and reasonable individual and joint rates, rules, regulations, terms and conditions of carriage, and practices relating to such transportation. Another requirement is that the rates shall "under substantially similar circumstances and conditions, in respect of all traffic of the same description and carried in like manner over the same route, be charged equally to all persons and at the same rate, whether by weight, mileage or otherwise; tolls for plane load quantities, or greater weights, or longer distances, may be proportionately less than the tolls for less than plane load quantities, or lesser weights, or shorter distances, when such tolls are under substantially similar circumstances charged equally to all persons". Air carriers are required to file with the Board tariffs containing all their fares, rates, charges, terms and conditions of carriage, etc. unless otherwise directed by the Board. The Board may require prior notice in the filing of tariffs with it and may suspend any tariff either before or after it comes into effect. Air carriers may not assess charges unless an appropriate tariff has been filed with the Board and has come into effect, and then only the charges specified therein may be assessed.

Either of its own volition or on application or complaint, the Board may determine and prescribe what are just and reasonable individual or joint fares, rates, or charges and the maxima and/or minima, or both, to be charged, and what conditions shall prevail for services performed or to be performed. Air carriers are prohibited from: (1) giving any unreasonable privilege or advantage to any particular person, airport, locality or description of traffic; (2) directly or indirectly refunding or remitting any portion of the charges specified in their currently effective tariffs except as provided therein; and from (3) extending to any person any privileges or facilities except as specified in currently effective tariffs, without the prior approval of the Board.

Stated penalties will be enforced against anyone who contravenes the provisions of the Act or regulations.



IX - TRADE

CUSTOMS ACT, R.S.C. 1952, c.58; 1953-54, c. 3 am. (Assented to December 16, 1953).

"An Act Respecting the Customs".

This Act sets out the rules governing the movement of goods across the Canadian border or at ports of entry.

The value for duty imposed on goods imported into Canada is determined according to the instructions contained in this Act. The ad valorem value for duty shall be the greater of: the fair market value for such or like goods when sold for home consumption in the ordinary course of trade under fully competitive conditions at the time when and the place whence such goods were exported by the seller to the purchaser in Canada; or, the price at which the goods were sold by the seller abroad to the purchaser in Canada, exclusive of all shipping charges.

When neither the fair market value nor the nearest equivalent can be ascertained, the value for duty shall be the actual cost of production of similar goods at date of shipment to Canada, plus a reasonable addition for administration, selling cost and profit.

The value for duty does not include any internal tax applicable within the country of origin from which the imported goods have been exempted or have been relieved by means of refund or drawback.

Customs appraisers appointed in accordance with the terms of this Act shall determine the tariff classifications into which imported goods fall and estimate the fair market value of such goods at time of export to Canada. Appeals may be made against their decisions in accordance with the procedure established in the Act.

To provide better protection against the dumping of imported goods on the Canadian market, since December 8, 1953 the Act has authorized the Minister of National Revenue, in cases where he finds that prices of manufactured goods in the country of export have fallen to abnormally low levels as a result of the advance of the season or the marketing period, to appraise the goods concerned for customs purposes on the basis of the weighted average price of goods sold for domestic consumption in the country of export in a reasonable period not to exceed six months immediately preceding the date of shipment to Canada.

The act also requires that all goods exported from Canada be reported and entered outwards at the Customs-house at the port of exit.

Under Section 273 of the Act the Governor-in-Council may make regulations, some of which relate to agriculture and concern:

- a) cattle slaughtered and grain ground in bond;

- b) exemption from duty of any Canadian grain or grain products taken to the United States to be ground and brought back into Canada within two days after leaving this country;
- c) regulation of the quantities of any goods so taken out or brought in at any time by any person and the manner of establishing the claim to exemption;
- d) any articles, whether natural products or products of manufactures, used as materials in Canadian manufactures.  
The order in council may provide:  
that such articles may be imported into Canada free of customs duty or at a reduced rate thereof during a specified period; or

for a drawback of all or part of the duty paid on such articles, or for the granting of a specific sum in lieu of the drawback.

Penalties are provided for contravention of the Act or regulations thereunder.

CUSTOMS TARIFF, R.S.C. 1952, c.60 & c.316 am; 1952-53, c.31 am; 1953-54, c.53 am. (Assented to June 26, 1954)

"An Act respecting the Duties of Customs".

Schedule A of this Act sets out a list of goods and the rates of customs duties applicable to the goods when imported into Canada. The rates of customs duties set forth in column (1), "British Preferential B.P. Tariff", apply to goods grown, produced or manufactured in the British countries listed in the Act, when shipped direct from a British country into a sea, lake or river port of Canada. Column (2), "Most-Favored-Nation M.F.N. Tariff", sets forth the rates of customs duties applicable to goods grown, produced or manufactured in any British or foreign country to which the benefits of such Most-Favored-Nation Tariff have been extended, when imported into Canada direct from a country entitled to the benefit of the Most-Favored-Nation Tariff. The rates of customs duties set forth in column (3), "General Tariff", apply to goods not entitled to admission under the Most-Favored-Nation Tariff or under the British Preferential Tariff. Some goods, produced in British countries with which Canada holds bi-lateral trade agreements, are under the terms of the agreements, entitled to rates of duties more favorable than those of the British Preferential Tariff.

The rates shown in Column (1) for goods entitled to entry under the British Preferential Tariff are subject to a discount of ten per cent, except: a) alcoholic beverages, liquid medicines and articles containing alcohol, sugar, tobacco, cigars and cigarettes; b) where the B.P. tariff does not exceed 15 per cent ad valorem; c) where the B.P. and M.F.N. rate is the same; d) reductions provided for in the Canada-West Indies Trade Agreement, 1926.

The Governor in-Council may extend or withdraw the benefits of the B.P. or M.F.N. tariffs, and make such regulations as are necessary to carry out the provisions of the several tariffs.

The Act further provides for a special or dumping duty, not exceeding 50 per cent ad valorem, in the case of goods exported to Canada of a class made or produced in substantial quantities in Canada if the selling price to an importer in Canada is less than the fair market value or the value for duty of the goods. This dumping duty, equal to the difference between the selling price of the goods exported and the value for duty, shall be levied, collected and paid on such goods although not otherwise dutiable. The Minister may make regulations to carry out and enforce these provisions.

The Canada-West Indies Trade Agreement provides for special rates of duty on products specified in Schedule A to the Agreement. Other goods, with the exception of tobacco, cigars, cigarettes, spirituous or alcoholic liquors which are the produce or manufacture of the British colonies named in the Act, when they are conveyed to Canada without transshipment or with transshipment only at a British port, are not subject to more than 50 per cent of the duties imposed on similar goods under the General Tariff.

Section 10 of the Act provides that, by order in council, reductions of duties on goods imported into Canada from any country may be granted as compensation for concessions extended by any such country. Accordingly, concessions granted or secured under the General Agreement on Tariffs and Trade (GATT) become part of the effective Canadian tariff schedule when authorized for inclusion therein by an order in council; they also become effective if they are contained in an amendment to the Customs Tariff Act.

Schedule A of the Customs Tariff sets out both specific and ad valorem rates of duty for some items (among which are some fresh fruits and vegetables) and the length of the period during which the specific rate of duty shall be effective. The ad valorem rates of duty shall apply to mushrooms and to fresh fruits and vegetables (of a kind grown in Canada, except apples and potatoes) included in the Items specified in Section 13 of the Act, except when a ministerial (National Revenue) order stipulates that the specific duty for any fruit or vegetable shall replace the ad valorem rate on the product when it enters Canada at the port(s) and during the period specified in the order. This period may not exceed the total number of weeks mentioned in the Item in the Schedule, but for certain fresh vegetables the Minister may order that the rate of specific duty shall similarly apply in two separate periods in the fiscal year if the total time for each place or region in the two periods does not exceed the total number of weeks specified for each vegetable.

Provision is made for the payment of drawbacks of Customs duties on the materials set forth in Schedule B to this Act when used for consumption in Canada for the purposes specified in that Schedule. These include materials used in the manufacture of farm machinery and equipment.

The importation into Canada of any goods enumerated in Schedule C to this Act is prohibited and penalties specified for importation of such prohibited goods. The list includes oleomargarine, butter substitutes, process or renovated butter and animals suffering from any contagious disease.

TARIFF BOARD ACT, R.S.C. 1952, cc. 261 & 336.

"An Act to provide for the appointment of a Tariff Board".

The Act sets out the constitution and duties of the Tariff Board and authorizes it to hear appeals under the Customs Act or Excise Tax Act. Board decisions in these cases must be published in the Canada Gazette. The Governor-in-Council may empower the Board to hold an inquiry under section 14 of the Customs Tariff or under authority of the Combines Investigation Act, into combinations which enhance prices, or direct it to enquire into and report on any matter relating to the trade or commerce of Canada, according to the procedure outlined in the Act.

If the Minister so requests, the Board shall, for both domestic and imported goods, make inquiry into and report to him:

- a) the price and cost of raw materials in Canada and elsewhere, and the cost of transportation thereof from the place of production to the place of use or consumption;
- b) the cost of efficient production in Canada and elsewhere, and what increases or decreases in rates of duty are required to equalize differences in the cost of efficient production;
- c) the prices received by producers, manufacturers, wholesale dealers, retailers and other distributors in Canada and elsewhere;
- d) all conditions and factors, including the cost, efficiency and conditions of labor, which affect the costs of production and manufacture and the price to consumers in Canada, as compared with other countries.
- e) the effect that an increase or decrease of the existing rate of customs or excise duty upon a given commodity might have upon industry or trade, and the extent to which the consumer is protected from exploitation.

The Governor-in-Council may make regulations necessary to carry out the provisions of the Act.



EXPORT AND IMPORT PERMITS ACT, S.C. 1953-54, c.27

(Assented to March 31, 1954 and proclaimed in force effective June 1, 1954)  
"An Act respecting the Export and Import of Strategic and Other Goods."

The scope of this new Act is similar to that of the 1947 Act which it replaces. It extends to July 31, 1957 the controls which under the former Act would have expired on July 31, 1954, and makes some changes intended to improve Canada's system of control over the export of strategic materials.

The Act authorizes the Governor-in-Council to establish, re-establish, amend or vary Export, Import and Area Control Lists. The Export Control List may include any article, the export of which he thinks should be controlled:

- a) to prevent arms, munitions, war materials or supplies, or articles having a strategic nature or value, from reaching a destination where they might be detrimental to the security of Canada;
- b) to implement an intergovernmental arrangement or commitment;
- c) to ensure that there is an adequate supply and distribution of such article in Canada for defence or other needs.

The Area Control List may include any country to which the Governor-in-Council deems it necessary to control the export of any goods.

The Import Control List may include any article the import of which the Governor-in-Council deems it necessary to control:

- a) to ensure, in accordance with the needs of Canada, the best possible supply and distribution of an article that is scarce in world markets or is subject to governmental controls in the countries of origin or to allocation by intergovernmental arrangement;
- b) to implement any action taken under the Agricultural Prices Support Act, the Fisheries Prices Support Act, the Agricultural Products Co-operative Marketing Act or the Agricultural Products Board Act, to support the price of the article or that has that effect; or
- c) to implement an intergovernmental arrangement or commitment.

The Minister of Trade and Commerce may issue to any resident of Canada applying therefore, and may amend, suspend, cancel or re-instate, a permit to import or export goods included in a Control List or to export them to a country included in an Area Control List, in such quality and

quantity and subject to the terms and conditions stated in the regulations.

A permit must be obtained for the export or import of any goods listed in the Export or Import Control Lists and for any goods exported to a country included in an Area Control List, and may be used only by the person to whom it was issued.

The Governor-in-Council may also make regulations concerning:

- a) the information to be supplied by applicants and the procedures to be followed in obtaining, issuing or granting permits, certificates and other authorizations;
- b) the duration of and the terms and conditions upon which these authorizations may be issued or granted;
- c) the certification, authorization or other control of any in-transit movement of goods entering or being exported from any Canadian port or place;
- d) the exemption of any person or goods or classes thereof from the operation of the provision(s) of this Act; and
- e) directions necessary to carry out the purposes and provisions of the Act.

The Act sets out the duties of customs officers and the extent to which powers granted to them under the Customs Act shall apply for the purposes of this Act.

Penalties are set out for contravention of any provisions of the Act.

## INTERNATIONAL SUGAR AGREEMENT

Canada acceded to the agreement and it came into force in this country on June 29, 1954. It had been effective from January 1, 1954 for countries which had signed it by that date.

Canadian refiners are free to buy raw sugar from any member of the agreement, which includes almost every sugar-producing country that Canada has ever patronized. The agreement provides principally that producing countries will not sell sugar below \$3.25 or above \$4.35 per 100 pounds of raw sugar, f.o.b. Cuba. The minimum price will protect Canadian beet sugar producers and the maximum price will protect the domestic consumer.

THE AUSTRALIAN TRADE AGREEMENT ACT, S.C. 1931, c.16.

"An Act respecting a certain Trade Agreement between Canada and Australia".

This Act ratifies the 1931 Trade Agreement between Canada and Australia and repeals the 1925 Act. Under the Agreement Canada grants to the goods enumerated in Schedule A, being the produce or manufacture of Australia, when imported directly into Canada, the tariff rates indicated in the said Schedule. All other goods the produce or manufacture of Australia, when imported into Canada obtain the benefits of the British Preferential Tariff.

Similarly, Australia grants to the goods enumerated in Schedule B, being the produce or manufacture of Canada, when imported into Australia without transshipment, the tariff rates indicated in the said Schedule B. All other goods the produce or manufacture of Canada, when imported into Australia obtain the benefits of the British Preferential Tariff.

If the Canadian tariff is amended with respect to the goods enumerated in Schedule A, Canada agrees to maintain at least the actual difference between the rates charged on goods imported from Australia and those imposed by the British Preferential, Intermediate (now M.F.N.) and General Tariffs respectively.

If the Australian tariff is amended in regard to the goods enumerated in Schedule B, Australia agrees to maintain in respect of the goods from Canada subject to the British Preferential Tariff, at least the actual difference between that tariff and the Intermediate and General Tariffs, and, in respect of goods from Canada subject to the Intermediate Tariff, at least the actual difference between that tariff and the General Tariff.

However, if imported goods are adversely affecting the sale of domestic goods in either country, the exporting country must take measures to remedy the conditions within three months after receipt of the importing country's written objections, or have their imports subject to the General Tariff of the importer.

The Agreement shall remain in force until six months from the date on which either country gives the other notice of its intention to terminate the agreement.

CANADA-JAPAN AGREEMENT ON COMMERCE

This agreement was signed in Ottawa on March 31, 1954, was ratified by the parliaments of both countries, and came into force on June 7, 1954.

Under the agreement each country is to grant the other unconditional Most-Favored-Nation treatment. Canada reserves the right to establish special values for duty on any imports entering the country in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers of like or directly competitive products.

Japan agrees to accord unconditional non-discriminatory import treatment on nine Canadian export commodities, subject to exceptions agreed upon by the two governments. The agricultural commodities include wheat, barley, flaxseed and milk powder.

The Most-Favored-Nation rates of duty extended to Japan will constitute a reduction from the general tariff rates which previously applied on imports of their goods into Canada.

As Japan has a "single column tariff", the agreement does not immediately lower their rates of duty on Canadian goods. However, the amount of duty payable should be less because their tariff provides for a heavy surcharge on goods from countries which discriminate against Japan.

THE NEW ZEALAND TRADE AGREEMENT ACT, S.C. 1932, c.34; 1932-33, c.44 am.  
"An Act respecting a certain Trade Agreement between Canada and New Zealand"

This Act ratifies the 1932 Trade Agreement between Canada and New Zealand, the benefits of which also apply to the Territory of Western Samoa and the Cook Islands. Under the Agreement Canada grants to the goods enumerated in Schedule A, being produced or manufactured in New Zealand, when imported directly into Canada, the tariff rates indicated in the said Schedule; provided that such rates shall in no case be higher than the rates chargeable on similar goods under the British Preferential Tariff of Canada. All other goods produced or manufactured in New Zealand, when imported directly into Canada, enter under the benefits of the British Preferential Tariff. The Act makes provision for the imposition by the importing country of a special duty on imports of items in Schedule A which would injuriously affect the producers or manufacturers of similar domestic goods if the exporting country did not apply remedial measures within 30 days after the receipt of the importer's written complaint.

Similarly, New Zealand grants to the goods enumerated in Schedule B, being produced or manufactured in Canada, when imported into New Zealand the tariff rates indicated in the said Schedule B; provided that, except where otherwise indicated in that Schedule, such rates shall in no case be higher than the rates chargeable on similar goods under the British Preferential Tariff of New Zealand. All goods produced or manufactured in Canada, when imported into New Zealand, receive the benefits of the British Preferential Tariff. The tariff advantages set out in this paragraph apply



only to goods which after shipment from Canada have not entered into the commerce of or been subjected to any process of manufacture in any country the produce or manufactures of which are not entitled to the benefits of the British Preferential Tariff. Provision is also made for the application of remedial measures when imports of these goods might injure domestic production or manufacture.

The date of termination of the Act shall be that agreed upon by Canada and New Zealand.

THE UNION OF SOUTH AFRICA TRADE AGREEMENT ACT, S.C. 1932-33, c.3.  
"An Act respecting a certain Trade Agreement between the Dominion of Canada and the Union of South Africa."

This Act ratifies the 1932 Trade Agreement between Canada and the Union of South Africa and extends the benefits to the mandated Territory of South West Africa. Under the Agreement goods produced or manufactured in the Union of South Africa, enumerated in Schedule A, when imported directly into Canada enjoy the tariff concessions set forth in the said Schedule and also enjoy the benefits of the lowest rates of Customs duty applicable to similar goods imported from any country, provided that such goods shall not be entitled to the benefit accorded to the products of the British West Indies, Bermuda, British Guiana, and British Honduras by virtue of the trade agreement existing between these colonies and Canada.

Similarly, goods enumerated in Schedule B, being produced or manufactured in Canada, when imported into the Union of South Africa without transshipment, enjoy the tariff concessions set forth in the said Schedule B and also enjoy the benefit of the lowest rates of Customs duty applicable to similar goods imported from any country, except that such goods shall not be entitled to the privileges accorded to the products of the countries which are listed in this Agreement by virtue of agreements between these countries and the Union of South Africa.

In the event of an amendment in the Canadian tariff with respect to the goods enumerated in Schedule A, Canada agrees to maintain the margins of tariff concession represented by the difference between the rates accorded to Union goods in that Schedule and the presently existing rates on similar goods when imported from any foreign country.

In the event of an amendment in the Union of South Africa tariff with respect to the goods enumerated in Schedule B, the Union of South Africa agrees to maintain the margins of preference accorded in that Schedule to Canadian goods over similar goods when imported from any foreign country.

The Agreement shall remain in force until six months after either country gives notice to the other of intention to terminate the agreement.

THE UNITED KINGDOM TRADE AGREEMENT ACT, S.C. 1937, c.17 (Assented to Mar. 31, 1937)

"An Act respecting a certain Trade Agreement between Canada and the United Kingdom."

The contractual obligations between Canada and the United Kingdom established under this Agreement have been modified by the provisional application by Canada of Parts I, II and III of the General Agreement on Tariffs and Trade signed at Geneva in 1947. Although Canada's adherence to the General Agreement had not been approved by an Act of Parliament up to the end of March, 1955 an exchange of letters in 1947 between the Government of Canada and the Government of the United Kingdom established the basis on which the trade between these two countries has been regulated since the signing of the General Agreement. Therefore, this summary will present the trade arrangements in effect between Canada and the United Kingdom as established by the Canada-United Kingdom Trade Agreement, 1937, and the revisions to this Agreement contained in the Exchanges of Letters between Canada and the United Kingdom in 1938 and 1947.

The Agreement establishes rates of customs duties leviable on Canadian goods imported into the United Kingdom (the British Preferential Tariff), specifies which Canadian goods may enter the United Kingdom free from duty, and establishes margins of preference on certain goods imported from Canada over similar goods imported from a foreign country. Similar concessions are made by Canada on the importation into this country of goods produced in the United Kingdom and any of the non-self-governing Colonies, Protectorates or Territories under British Trusteeship.

Under the Exchange of Letters in 1947 each country undertakes, with respect to goods covered by the relevant schedules of the General Agreement (No. V is the Canadian Schedule and No. XIX is the United Kingdom Schedule), to continue to accord to the products of the other, treatment no less favorable in general than has been accorded under the existing Agreement of 1937, but in which also each government recognizes the right of the other to reduce or eliminate preferences.

Article II of the Agreement of 1937 provides that neither government will, without the consent of the other, amend its regulations regarding qualification for preferential tariff treatment so as to increase above 50 per cent the prescribed proportion of the value of any class of manufactured articles which must be derived from expenditure in the Commonwealth in order to entitle the articles to preference.

That part of Article 5 of the Agreement which was continued by the 1947 Exchange of Letters deals with imports of Canadian bacon and beef into the United Kingdom. As regards bacon, the United Kingdom undertakes that any duty or levy which may be imposed on bacon imported into the United Kingdom shall not apply to imports of Canadian bacon, and also that there will be no regulation by them of such imports unless the rate at which the trade from Canada progresses towards two and one-half million hundred-weight per year should become abnormal and such as to endanger the effective working of the system of supply regulation. As regards beef, the United

Kingdom undertakes that no duty or levy shall be imposed on Canadian beef imported into the United Kingdom; that, if so requested, they will make themselves responsible for Canadian interests at any International Conference that may be set up to arrange for regulating supplies imported into the United Kingdom and will attempt to insure that Canada secures an equitable share in the trade in beef; that no agreement for setting up such a Conference will provide for any reduction in imports of Canadian beef into the United Kingdom below the levels reached in the years preceding the 1937 Agreement; and that there will be no regulation of imports of beef from Canada unless, after consultation with the Government of Canada, it appears to the Government of the United Kingdom that the effective working of a general scheme for the orderly marketing of meat in the United Kingdom cannot otherwise be secured.

Under the Agreement of 1937, Canada and the United Kingdom undertake that, except for legislation already in force, certain goods enumerated in the Agreement the produce of either country shall not be subjected on importation into the other country to any imposts or charges other than the customs duties leviable under this Agreement unless equal imposts or charges are imposed on similar goods produced by the importing country.

Canada has agreed to exempt particular classes of United Kingdom goods from special or dumping duty under the conditions set out in the Agreement, in recognition of the free entry of certain Canadian goods into the United Kingdom market, as assured in this Agreement and, in particular, of their exemption from any special or dumping duty even if sold in that market at less than their comparable selling price in Canada.

THE WEST INDIES TRADE AGREEMENT ACT, S.C. 1926, c.16

"An Act respecting Trade relations with British West Indies, Bermuda, British Guiana, and British Honduras."

Under the terms of the West Indies Trade Agreement, July 1925, goods mentioned in the said Agreement which are the produce or manufacture of any of the colonies parties to the said Agreement or of any of the colonies which may have later ratified the said Agreement, which are conveyed without transshipment by ships directly into a sea or river port of Canada, are admitted to Canada at the rates of duties provided in the Agreement. Goods other than those provided for in Schedule A and other than tobacco, cigars, cigarettes, and spirituous or alcoholic liquors, are not subject to more than 50 per cent of the duties imposed on similar goods under the General Tariff of Canada.

Similarly, the said colonies grant to articles specified in Schedule B (most are agricultural products), being the produce or manufacture of Canada, when imported into the said colonies, the preferential treatment indicated in the said Schedule B. In addition the Agreement provides that the duties on all goods, other than tobacco, cigars and cigarettes, being the produce or manufacture of Canada, when imported into any of the said colonies are to be no more than a stated proportion, varying



among the colonies, of the duties imposed on similar goods when imported from any foreign country.

The Canadian Governor-in-Council may extend the said advantages to goods the produce or manufacture of any British country.

The agreement shall remain in force for all signatories until 12 months after any of the participating governments gives notice that it wishes to withdraw, after which the agreement will remain in full force for all who have not given notice.

CANADA-UNITED STATES OF AMERICA TRADE AGREEMENT ACT, S.C. 1939, c.29.  
"An Act respecting a certain Trade Agreement between Canada and the United States of America."

The Agreement approved by this Act has been suspended and will be inoperative for such time as both Canada and the United States are contracting parties to the General Agreement on Tariffs and Trade.

EXCISE ACT, R.S.C. 1952, c. 99 & c.319 am; 1952-53, c.34 am; 1953-54, c.35am.  
(Assented to June 10, 1954).

This Act requires the licensing by the Minister of National Revenue, of all distilleries, breweries and businesses engaged in the manufacture in bond of certain kinds of goods, and of all manufacturers of tobacco and cigars, and provides for the payment of excise rates and duties as listed in the Schedule to the Act.

This Schedule sets out the duties of excise imposed on spirits distilled in Canada, on imported spirits, on all beer or malt liquor brewed in or imported into Canada, on all malt brought into a brewery in Canada, on all tobacco and cigars manufactured in Canada, and on Canadian raw leaf tobacco when sold for consumption. A farmer who grows and processes tobacco for use on his own farm and not for sale does not require a license, nor is the tobacco subject to excise duty unless the quantity so processed exceeds 30 pounds for each adult male member of the family residing on the farm.

The excise duty on malt for the manufacture of beer or malt liquor was repealed and replaced by a gallonage tax on these beverages from April 7, 1954.

Penalties are provided for violating the provisions of the Act.

EXCISE TAX ACT, R.S.C. 1952, c.100 & c. 320 am; 1952-53, c. 35 am; 1953-54, c. 56 am. (Assented to June 26, 1954)

This Act excludes some agricultural equipment and most foodstuffs from the ten per cent sales tax imposed by the Act on goods produced or



manufactured in Canada and on goods imported into Canada. For a list of these exempted products see Schedule III of the Act.

New schedules contained in the 1953-54 amendment to the Act came into force on April 7, 1954.

X.- FOOD AND AGRICULTURE ORGANIZATION

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS ACT, R.S.C. 1952, c.122.

"An Act for carrying into effect the Agreement for a Food and Agriculture Organization of the United Nations between Canada and certain other Nations and Authorities."

This Act approves the Constitution of the Food and Agriculture Organization and empowers the Governor-in-Council to make such appointments, establish such offices, make such Orders in Council and do such things as appear to him necessary for carrying out the provisions of the Constitution.

The Constitution states that the Food and Agriculture Organization was established to promote the common welfare of the Member Nations by furthering separate and collective action for the purposes of "raising levels of nutrition and standards of living of the peoples under their respective jurisdictions, securing improvements in the efficiency of the production and distribution of all food and agricultural products, bettering the condition of rural populations, and thus contributing toward an expanding world economy".

The functions of the Organization are to collect, analyze, interpret, and disseminate information relating to nutrition, food, and agriculture, and to promote and recommend national and international action with respect to:

- a) scientific, technological, social, and economic research and the improvement of education and administration relating to nutrition, food and agriculture;
- b) the conservation of natural resources and the adoption of improved methods of agricultural production and of processing, marketing, and distributing food and agricultural products;
- c) the adoption of policies for the provision of adequate agricultural credit, national and international;
- d) the adoption of international policies with respect to agricultural commodity arrangements.

It is also the function of the Organization:

- a) to furnish such technical assistance as governments may request;
- b) to organize, in co-operation with the governments concerned, such missions as may be needed to assist them to fulfil the obligations arising from their acceptance of the recommendations of the Conference of the Food and Agriculture Organization of the United Nations and of this Constitution.

XI. INTERNATIONAL CONVENTIONS

The International Plant Protection Convention was adopted at the Food and Agriculture Organization meeting in Rome in the fall of 1951. Canada ratified it on June 16, 1953.

Article I (1) of the Convention reads:

"With the purpose of securing common and effective action to prevent the introduction and spread of pests and diseases of plants and plant products [unmanufactured and milled material of plant origin] and to promote measures for their control, the contracting Governments undertake to adopt the legislative, technical and administrative measures specified in this convention and in supplementary agreements pursuant to Article III".

The provisions of the convention also extend to storage places, containers, conveyances, packing material and soil used in the international transportation of plants and plant products.

## APPENDIX I

### Bills before Parliament, 1955 Session

#### Prairie Farm Rehabilitation Act

Bill 5 to amend the Act was introduced into the House of Commons on January 11. As first read, it will delete the sections of the act which make minor P.F.R.A. expenditures subject to Treasury Board approval. It will add a new section to the act to provide that expenditures up to \$15,000 may be made for any project without prior permission of Treasury Board.

#### The Territorial Lands Act

The Bill to amend this Act was passed by the House of Commons on March 31. Under the Act no territorial lands can be sold until they have been surveyed by the federal government. The purpose of the amendment is to permit sales of these lands before they have been surveyed, allowing the price to be fixed at the time the application to purchase is accepted, and adjustment of price and area made when the land is surveyed and letters patent issued.

#### Canada Grain Act

The amending Bill 245 was passed in the House of Commons on March 22, 1955 and received Royal Assent on March 31.

It provides for some administrative changes; that proceeds from weigh-overs or overages shall become the property of the Canadian Wheat Board for disposal as the Governor in Council directs; that in Schedule 1 (statutory grades of grain) Grade No. 3 Amber Durum shall consist of varieties of least "equal to Mindum" (to exclude from this grade varieties inferior for making macaroni), and that more specific and accurate definitions of soybean grades shall be set out in Schedule 2.

#### Meat and Canned Foods Act

In the Speech from the Throne on January 7, 1955 it was stated that "Legislation will be proposed to replace the Meat and Canned Foods Act by measures to provide for the inspection of meat and for the establishment of standards for all agricultural products".



APPENDIX II

Trade Agreements Provisionally in Force, 1955

Spain and Portugal

In 1954 Canada signed bilateral trade agreements for the first time with Spain and with Portugal. Both agreements became provisionally effective on July 1, 1954. Each of these provides that the signatory countries agree not to impose discriminatory import or exchange restrictions except for balance of payment reasons, and that when such restrictions are imposed they must not discriminate between countries having convertible currencies. Tariff concessions granted in both agreements apply to a few agricultural and some non-agricultural items.

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CANADA

# FEDERAL AGRICULTURAL LEGISLATION IN CANADA 1955-1956 SUPPLEMENT



Economics Division, Marketing Service  
DEPARTMENT OF AGRICULTURE  
Ottawa, August 1956.





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## PREFACE

This supplement summarizes agricultural legislation passed by parliament in 1955 and 1956 to the end of the third session of the 22nd Parliament, which prorogued on August 14, 1956. It includes new acts and amendments to acts described in "Federal Agricultural Legislation in Canada, 1954". The classification is the same as in the main bulletin and the page numbers run consecutively. The consolidated index, starting on page 86, contains references to legislation in both bulletins. References to the page numbers in the main bulletin are also made under the names of amending acts in this supplement.

As stated in the preface of the main bulletin these summaries have no legal standing and are designed merely to provide information on current legislation. In all cases where exact legal definitions are required the statutes themselves should be consulted.



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### III.-- LAND POLICIES

#### 1. Land Development, Conservation and Irrigation

PRAIRIE FARM REHABILITATION ACT, amendment , S.C. 1955, c.39

See also 1954 bulletin p.9.

Under Section 9 the amount for which contracts may be entered into by Ministerial authority is \$15,000 (formerly \$10,000 and increased to make the legislation consistent with existing Ministerial authority in the Financial Administration Act and regulations). Sections 10 and 11 are repealed. This means that PFRA land transactions may be dealt with in the same manner as land transactions involving government departments, that the purchase of machinery and equipment is subject to the provisions of the Financial Administration Act and regulations and that the disposal of surplus machinery or equipment is made under the terms of the surplus Crown Assets Act.

#### 2. Land Settlement

TERRITORIAL LANDS ACT, amendment, S.C. 1955, c.17.

See also 1954 bulletin p.15.

The amendment permits sales of territorial lands before they have been surveyed, allowing the price to be fixed at the time the application to purchase is accepted, with adjustment of price and area when the land is surveyed and the letters patent issued.

### IV.-- FARM CREDIT FACILITIES AND GOVERNMENT RELIEF ASSISTANCE

CANADIAN FARM LOAN ACT, amendment, S.C. 1956, c.17.

See also 1954 bulletin p.16.

This amendment provides for the granting of loans on 65 per cent of the appraised value of land and buildings to a maximum of \$15,000 (formerly 60 per cent with a maximum of \$10,000 on first mortgage and \$2,000 on second mortgage). The provision in part II of the act for making second mortgage loans is repealed. The maximum term of loans is 30 years (formerly 25 years). Under the terms of the amendment loans for a period exceeding five years may be repaid in equal monthly instalments as well as in equal annual or semi-annual instalments of principal and interest.

The amendment makes changes in the capital structure of the Canadian Farm Loan Board and repeals the provision for setting up an advisory board.

FARM IMPROVEMENT LOANS ACT, amendment, S.C. 1956, c.24.

See also 1954 bulletin p.17.

The operations of the act are extended for a further three year term, to March 31, 1959. During this period banks are guaranteed against losses up to ten per cent of the aggregate principal amount lent by each bank, subject to a maximum over-all government liability of \$300,000,000 in the three year pool period. The maximum amount of the individual loan is increased from \$4,000 to \$5,000.

The interest rate on loans remains at five per cent per annum, simple interest. The period of repayment varies with the type and amount of the loan, but is subject to a maximum of ten years, except for farm implement loans, where it is three years. A borrower is required to put up a reasonable portion of the cost of the purchase or project; maximum loans are specified in the regulations according to purpose.

The amendment makes changes in the provisions for the taking of security and in the penalty clause. It came into force on April 1, 1956.

NATIONAL HOUSING ACT, 1954

Regulations amended, P.C. 1956 - 466, March 22.

See also 1954 bulletin p.21.

The maximum interest rate was raised to  $5\frac{1}{2}$  per cent, effective March 12, 1956.

PRAIRIE FARM ASSISTANCE ACT, amendment, S.C. 1955 c.56.

See also 1954 bulletin p.22.

The amendment gives the Department of Agriculture authority to make payments on eligible land which cannot be seeded or summerfallowed because of natural causes beyond the farmer's control. It also provides that contiguous blocks of six or more sections excluded from payment within eligible townships or brought into payment in ineligible townships are to be rectangular instead of irregular. This provision reverses that in the 1950 amendment regarding the shape of blocks of sections.

PRAIRIE GRAIN PRODUCERS INTERIM FINANCING ACT, 1956. S.C. 1956, c.1.

"An Act to provide Short-term Credit to Grain Producers in the Prairie Provinces to meet Temporary Financial Difficulties arising from inability to deliver all their Grain".

Proclaimed in force June 4, 1956.

The legislation authorizes the government guarantee of bank loans on farm stored threshed western wheat (other than durum), oats, barley and rye. Loans were to be made between November 15, 1955 and June 1, 1956 at a charge not exceeding five per cent per annum, simple interest. The total amount lent to a farmer was not to exceed the lesser of half the returns from the estimated quantity for delivery or \$1,500..

It was to be reduced by the amount which the farmer had received from any deliveries under his 1955-56 delivery quota. The act provides that one half of the money payable to the producer for subsequent deliveries is to be paid to the bank to apply against repayment of the loan.

Government liability begins on October 1, 1956 and is limited to 15 per cent where the aggregate principal amount of loans made by a bank does not exceed \$100,000 or ten per cent where it does. There is to be no government liability on loans made after the aggregate principal amount of guaranteed loans by all banks reaches \$50,000,000.

The legislation can be extended by order in council to authorize guarantees on loans made between October 1, 1956 and June 1, 1957 but such loans are not to be made to borrowers with loans outstanding from the previous year.

The Governor in Council is authorized to make regulations to carry out the provisions of the act. The act is administered by the Minister of Finance.

#### TEMPORARY WHEAT RESERVES ACT. S.C. 1956, c.2.

"An Act respecting the Payment of Carrying Costs of Temporary Wheat Reserves owned by the Canadian Wheat Board".

The Minister of Finance, out of the Consolidated Revenue Fund, is authorized to pay the storage and interest charges on wheat held by the Canadian Wheat Board in excess of 178 million bushels at the beginning of a crop year. The carrying rate charge is to be that in effect at the end of the preceding crop year. For the crop year which began on August 1, 1955 half the total amount due was to be paid when the act came into force and the remainder in equal monthly amounts for the balance of the crop year. For any subsequent crop year the total amount payable is to be paid in equal monthly payments within the crop year.

The authority is to expire when stocks at the beginning of a crop year do not exceed 178 million bushels. The figure of 178 million bushels is the average figure for stocks in store on August 1 for the 15 years before 1951.

#### V.- INCOME TAX

INCOME TAX ACT, amendment, S.C. 1956, c.39.

See also 1954 bulletin p.25.

Section 42 of the act was amended to require a farmer or fisherman who had a loss in the "year of averaging" to file an election by the date on which he would have been required to file a return if any tax had been payable by him that year. The amendment is to apply to the 1956 and subsequent tax years.



A new subsection to Section 75 provides a rule for determining what is meant by "three per cent of the capital employed in the business at the commencement of the year" where the taxation year of a co-operative paying patronage dividends is less than twelve months. It is to be in the same proportion as the number of days in the taxation year is to 365 days.

A new Section 85 H clarifies the method of determining the capital cost to a child of the depreciable part of farm property sold to him by his father. The section is applicable in determining, at any time after 1955, the capital cost of depreciable property sold after 1948.

## VI.- MARKETING OF FARM PRODUCTS

### 1. General

CANADA AGRICULTURAL PRODUCTS STANDARDS ACT. S.C. 1955, c.27.

"An Act to Establish National Standards for Agricultural Products and to Regulate International and Interprovincial Trade in Agricultural Products".

The purpose of the legislation is to provide, in one statute, for standards and grading for all agricultural products now covered by the Canada Dairy Products Act, the Fruit, Vegetables and Honey Act, the Live Stock and Live Stock Products Act, the Maple Products Industry Act and parts of the Meat and Canned Foods Act. The intention is to make regulations covering specific products, revoking the regulations under the present acts. When all existing regulations have been replaced the present acts can be submitted to parliament for amendment or repeal. The act is to come into force by proclamation.

"Agricultural product" in the act is defined as livestock (including fur-bearing animals raised in captivity), eggs, poultry, milk, vegetables, fruit, honey and maple syrup, and products thereof. Grades for agricultural products may be established by regulation, with appropriate grade names. Grades, packing and marking requirements are to apply on commodities moving in interprovincial and export trade. Regulations may be made prohibiting exports, imports and movements from one province to another unless agricultural products comply with prescribed requirements, have been prepared in accordance with prescribed conditions and are packed and marked as prescribed.

There is provision for the licensing of dealers and the appointment of inspectors, graders and other staff. Penalties are provided for infringement of the act and regulations.

## 2. Commodities

### a. Grains and Feeds

CANADA GRAIN ACT, amendment, S.C. 1955, c.9.

See also 1954 bulletin p.35.

The statutory grades of western and eastern grain were altered from August 1, 1955 for No. 3 amber durum wheat and for all grades of soybeans, as recommended by the committee on western and eastern standards. The change in grades for No. 3 amber durum wheat was made to assure that less desirable grades would be graded no higher than No. 4. For soybeans grading factors were more clearly defined, to meet the requirements of an emerging export market.

Provision is made in the amendment for the appointment of four assistant grain commissioners instead of three and the salaries of the commissioners were increased.

### INTERNATIONAL WHEAT AGREEMENT

Approved by House of Commons, August 6 and Senate August 9, 1956

See also 1954 bulletin p.38.

A new International Wheat Agreement came into effect on August 1, 1956 for a three year period. It provides for guaranteed sales and purchases each crop year of 302,915,145 million bushels. The guaranteed purchases are allocated among 44 countries and the guaranteed sales among six countries (including Argentina and Sweden not previously signatories to the agreement). Canada's guaranteed sales are 102,896,902 bushels. Guaranteed purchases are purchases which an importing country may be required by the International Wheat Council to buy at minimum prices and guaranteed sales are sales which exporting countries may be required to sell at maximum prices.

The basic minimum and maximum prices are \$1.50 and \$2.00 per bushel for No. 1 Northern in store Fort William/Port Arthur, excluding carrying charges.

### b. Livestock and Livestock Products

LIVE STOCK AND LIVE STOCK PRODUCTS ACT, amendment, S.C. 1956, c.14

See also 1954 bulletin p. 39.

Part III of the act, dealing with poultry production, is amended to provide that all references to chicks will apply also to hatching eggs.

Section 43(b) is amended to enable provision to be made for the voluntary use of official designations to identify poultry stock produced under the record of performance policy of the Department of Agriculture. Sections 48 and 52(g), dealing with the submission to the Department of Agriculture for approval of advertising material, are repealed.

The amendment is to come into force by proclamation.

MEAT INSPECTION ACT, S.C. 1955, c.36.

"An Act respecting the Inspection of Meat and Meat Products Entering into International and Interprovincial Trade".

This act contains the substance of the meat inspection provisions of the Meat and Canned Foods Act. It deals with sanitary and health matters and provides that meat products exported or moved from one province to another must be prepared in a registered establishment from animals inspected before and after slaughter, and that they must be packed and marked as prescribed and must conform to the prescribed standards. Imported meat products must have been inspected according to the laws of the country of origin and are to be packed and marked as prescribed and to conform to prescribed standards.

Regulations may be made providing for registration of establishments, for inspection, for establishment of standards for packaging and marking requirements.

Administrative provisions concern the appointment and powers of inspectors, the seizure of meat products and penalties for infringements of the act and regulations.

The act is to come into force on a day to be fixed by proclamation.

#### VIII.-- TRANSPORTATION

DEPARTMENT OF TRANSPORT ACT, amendment, S.C. 1956, c.7.

See also 1954 bulletin p.50.

The authority is extended to May 31, 1958 to make regulations controlling the transport of goods in bulk (including grain and grain products) and the appointment of transport controllers.

TRANSPORT ACT, amendment, S.C. 1955, c.59.

See also 1954 bulletin p. 54.

The amendment repeals sections 32 and 33 of Part IV of the act. Its purpose is to give effect to the recommendations of the Report of the Royal Commission on Agreed Charges. Railways are now permitted to put agreed charge agreements into effect on 20 days' notice without prior approval of the Board of Transport Commissioners. Steamship lines may become parties to agreed charges on meeting certain conditions and United States' railway companies can participate in agreed charge agreements initiated by Canadian railways.



IX.- TRADE

CUSTOMS ACT, amendment, S.C. 1955, c.32.

See also 1954 bulletin p.58.

The new legislation is designed to verify and bring up to date certain sections of the Customs Act. All persons entering the country are now required to report to customs; this practice has been followed although the law formerly required only persons conveying dutiable goods to do so.

The valuation sections are amended to clarify and confirm the principles of valuation and to limit to sixty days the time for appeals against tariff classification or appraisal of the value for duty.

The Tariff Board is empowered to hear appeals from departmental rulings affecting export as well as domestic drawbacks.

The importer as well as the person acquiring the goods is made liable for the duties applicable and penalties are provided for failure to report.

A lien holder is given 60 instead of 30 days in which to apply for a judicial order declaring his interest in goods or vehicles seized under the Act.

CUSTOMS TARIFF, amendments, S.C. 1955, c.51; 1956, c.36.

See also 1954 bulletin p.59.

The 1955 amendment provides for the application of a special additional duty, to apply on goods of a class or kind made in Canada which are being subsidized by a government or government agency abroad. The additional duty which can be levied on such imports is equal to the amount of the subsidy.

Both amendments make a number of changes in the customs duties applying to agricultural products. The 1955 schedules contain, among other things, revisions in the tariff items covering sugar, syrups and molasses, made in an effort to keep the tariff abreast of technical changes. The 1956 schedules restore the duty free entry on parts for agricultural machinery and equipment, in keeping with the government's policy. This action was necessary because certain judicial decisions of the Tariff Board, relating to the wording of particular tariff items, had resulted in important changes in tariff classification practices and the scope of duty free entry had been substantially narrowed.

TARIFF BOARD ACT, amendment, S.C. 1956, c.15.

See also 1954 bulletin p.61.

The amendment increases the membership of the Tariff Board from three to five and the number of vice chairman from one to two.



EXCISE TAX ACT, amendments, S.C. 1955, c.53; S.C. 1956, c.37.

See also 1954 bulletin p.69.

The 1955 amendment made certain changes from April 6, 1955 in the schedules to the act. The only change affecting agricultural products was to broaden the exemption to the consumption or sales tax for materials used in making animal feeds.

The 1956 amendment gave exemptions from the ten per cent sales tax, effective March 31, 1956, on several additional items used by farmers.

#### CANADA-PORTUGAL TRADE AGREEMENT

In force provisionally from July 1, 1954 and definitively from April 29, 1955.

The agreement provides for the exchange of most favored nation treatment in customs duties and related matters. Both countries undertake not to impose discriminatory import or exchange restrictions except for balance of payments reasons. Any such restrictions are not to discriminate between dollar countries. The Portuguese Government is to make available import licenses for the importation from dollar countries of a specified quantity of dry salted codfish. Canada reduced duties on almonds and corks.

#### CANADA-SPAIN TRADE AGREEMENT

In force provisionally from July 1, 1954 and definitively from June 30, 1955.

The agreement provides for the exchange of most favored nation treatment in customs duties and related matters. Both countries undertake not to impose discriminatory import or exchange restrictions except for balance of payments reasons and such restrictions are not to discriminate between dollar countries. The Spanish Government is to make available import licenses and dollar exchange for the importation from dollar countries of a specified quantity of dry salted codfish. Canada reduced the duties on olives, edible olive oil, almonds and paprika.

#### CANADA-ETHIOPIA TRADE AGREEMENT

Effective June 3, 1955.

Under a commercial modus vivendi Canada and Ethiopia agreed to exchange most favored nation treatment in customs duties and other charges and all regulations affecting trade.

#### CANADA-USSR TRADE AGREEMENT

In force provisionally from February 29, 1956 and definitively from May 26, 1956.

The agreement is to remain in force for three years. It provides for the exchange of most favored nation treatment in customs duties and related matters. Either government has the right to apply prohibitions or restrictions for the protection of essential security interests.

In an exchange of notes Canada reserved the right to establish values for ordinary or special import duty on any Russian product which may enter Canada in such increased quantities as to cause serious injury to domestic producers. In determining values the prices of similar goods imported from third countries are to be taken into account.

The USSR Government guaranteed to purchase in the three years between 1,200,000 and 1,500,000 tons (44 to 55 million bushels) of wheat in annual lots of between 400,000 and 500,000 tons. Prices and terms of sale are to be those at which the Canadian Wheat Board is making sales to major customers at the times of the Russian purchases.

#### CANADA-HONDURAS TRADE AGREEMENT

In force from July 18, 1956.

A trade agreement for the exchange of most favored nation treatment between Canada and Honduras was signed on July 11, 1956, to take effect from July 18 for an initial period of one year. It will continue in force thereafter until either country takes action to terminate it.

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Canada Agriculture Dept. Marketing Service  
Economics Division



# FEDERAL AGRICULTURAL LEGISLATION IN CANADA

1957 SUPPLEMENT

ECONOMICS DIVISION, MARKETING SERVICE  
DEPARTMENT OF AGRICULTURE  
Ottawa, October 1957





## PREFACE

This supplement summarizes agricultural legislation passed by Parliament in 1957 during the fifth session of the 22nd Parliament, which was prorogued on April 12, 1957. This Parliament was later dissolved and a general election took place on June 10, 1957. This supplement includes new acts and amendments to acts described in "Federal Agricultural Legislation in Canada, 1954" and the 1955-56 supplement to this bulletin. The classification is the same as in the two previous bulletins and the page numbers run consecutively. The consolidated index, starting on page 93 contains references to legislation in all three bulletins. References to the page numbers in the main bulletin and the 1955-56 supplement are also made under the names of amending acts in this supplement.

The summaries contained herein have no legal standing and are designed merely to provide information on current legislation as it relates to agriculture. The statutes themselves should be consulted where exact legal interpretations are required.



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## 11.- AGRICULTURAL PRODUCTION

### 2. Farm Supplies and Feeds

FERTILIZERS ACT, S.C. 1957, c. 27.

"An Act for the Regulation and Control of Agricultural Fertilizers."

Fertilizers and supplements may only be sold in or imported to Canada if they have been registered, packaged and labelled as prescribed and if they conform to the standards as set down in the act. The Governor in Council may make regulations respecting the registration, prescribing the standards and providing for the packaging and labelling of fertilizer and supplements. Provision is also made for the registration, under this act, of fertilizer containing a pest control product.

Inspectors and analysts may be appointed to aid in the administration and enforcement of the act. Inspectors are empowered to examine and sample material regulated by the act and to seize material where the provisions are being violated. No person shall sell any fertilizer or supplement which, when used according to directions, contains ingredients harmful to plant growth.

Further provisions deal with offences and the validity of the results of tests conducted by analysts appointed under the act. The Fertilizers Act, R.S.C. 1952, c. 115 (see 1954 bulletin p. 6) is repealed and the new act will come into force by proclamation.

## IV.- FARM CREDIT FACILITIES AND GOVERNMENT RELIEF ASSISTANCE

CANADIAN FARM LOAN ACT, amendment, S.C. 1957, c. 5.

See also 1954 bulletin p. 16.

1956 supplement p. 77.

The authorized capital of the Canadian Farm Loan Board is increased from three million to four million dollars divided into forty thousand shares of the par value of one hundred dollars each.

NATIONAL HOUSING ACT, 1954

Regulations amended, P.C. 1957-90, January 21.

See also 1954 bulletin p. 21

1956 supplement p. 78.

The maximum interest rate on new insured loans under Part I of the National Housing Act was raised from  $5\frac{1}{2}$  to 6 per cent.

PRAIRIE FARM ASSISTANCE ACT, amendment, S.C. 1957, c. 32.

See also 1954 bulletin p. 22.

1956 supplement p. 78.

The basis and size of awards granted under this act are revised as follows:

- a) where average yield is not more than five to eight bushels, the award is increased to \$2.00 per acre;
- b) where average yield is not more than three to five bushels, the award is \$3.00 per acre;
- c) where average yield is three bushels or less, the award is increased to \$4.00 per acre;
- d) where the land cannot be seeded or summer-fallowed due to natural causes the award is increased to \$4.00 per acre.

Blocks of sections of land need no longer be rectangular as stated in the 1956 amendment but need only be "contiguous" for qualification or disqualification for an award under the act. The act came into force on August 1, 1957.

PRAIRIE GRAIN PRODUCERS INTERIM FINANCING ACT, 1956, amendment, S.C. 1957, c. 33.

See also 1956 supplement p. 78.

The application of the Prairie Grain Producers Interim Financing Act, 1956, is extended to authorize and govern guaranteed loans that may be made by banks during the period September 1, 1957 to June 1, 1958. No person with a guaranteed loan made under the act before June 1, 1957 is eligible for a loan in this new period until such loan is repaid in full. The rate of interest on loans made during this new period was set at five per cent by the Governor in Council (no change from the former rate) and the amount of a loan was increased, by the amendment, from the former maximum of fifteen hundred dollars to a new maximum of three thousand dollars. The amendment was authorized to become effective by Order-in-Council, P.C. 1191, August 30, 1957.

V.- INCOME TAX

INCOME TAX ACT, amendment, S.C. 1957, c. 29.

See also 1954 bulletin p. 25

1956 supplement p. 79.

Among the provisions made by this amendment was one permitting a taxpayer whose chief source of income was farming or fishing to appeal his assessment for the year of averaging even if no tax was assessed for that year.

## VI.- MARKETING OF FARM PRODUCTS

### 1. General

AGRICULTURAL PRODUCTS MARKETING ACT, amendment, S.C. 1957, c. 15.  
See also 1954 bulletin p. 31.

This amendment arose from the recent decision of the Supreme Court of Canada on a reference of questions relating to the Ontario Farm Products Marketing Act. This statute makes possible the extension of powers by regulation by a marketing board or agency to local transactions within the province which, however, relate to inter-provincial or export trade. In any prosecution, the onus is placed on the accused to establish that the complaint under discussion does not relate to interprovincial and export trade.

The Governor in Council is now authorized to grant authority to provincial boards to impose levies and charges for the purpose of equalizing returns amongst the producers of an agricultural product subject to a marketing scheme.

### 2. Commodities

#### a. Grains and Feeds

CANADIAN WHEAT BOARD ACT, amendment, S.C. 1957, c. 6.  
See also 1954 bulletin p. 32.

The amendment defers the repeal of certain provisions of the Canadian Wheat Board Act for a five year period ending August 1, 1962. These provisions were to be repealed on August 1, 1957 and deal with the control of deliveries of grain into elevators and railway cars and the regulation of interprovincial and export trade in wheat. Annual pool periods are to be continued until August 1, 1962.

## IX. TRADE

CUSTOMS TARIFF, amendment, S.C. 1957, c. 21.  
See also 1954 bulletin p. 59  
1956 supplement p. 83.

One of the provisions of this amendment, effective April 6, 1957, increased the tariff rates on potatoes (items 71d and 83). Seed potatoes, item 71d, became dutiable at 37½ cents per 100 lbs. under the British Preferential and Most Favoured Nation tariffs, instead of free. The sub-items under 83 were renumbered to provide for an additional rate. The rate for potatoes, in their natural state,



n.o.p. (83a) was increased to  $37\frac{1}{2}$  cents per 100 lbs. on a year round basis in the British Preferential and Most Favoured Nation tariffs. Formerly the rate was free all the year in the British Preferential tariff and free from August 1 to June 14 in the Most Favoured Nation tariff, with a rate of  $37\frac{1}{2}$  cents per 100 pounds between June 15 and July 31. New potatoes harvested between January 1 and June 14 now enter free of duty in that period.

Further provisions of the amendment increased the list of fruit and vegetable handling equipment and farm machinery accorded duty free entry.

EXPORT AND IMPORT PERMITS ACT, amendment, S.C. 1957, c. 7.

See also 1954 bulletin p. 69.

The authority of the act is extended for a three year period from July 31, 1957 to July 31, 1960 by this amendment.

EXCISE ACT, amendment, S.C. 1957, c. 25.

See also 1954 bulletin p. 69.

The purpose of the amendment is to reduce the excise tax on Canadian raw leaf tobacco when sold for consumption, from twenty cents to ten cents per pound actual weight as provided in the Budget resolutions.

EXCISE TAX ACT, amendment, S.C. 1957, c. 26.

See also 1954 bulletin p. 69.

1956 supplement p. 84.

The ten per cent sales tax was removed, effective March 15, 1957, on potted, flowering or bedding plants, dormant flower bulbs and cut foliage and on additional foodstuffs, including edible gelatine, meat extracts, meat tenderizers, pickles and relishes, pie fillings, grape and prune juice, mayonnaise and salad dressings.

An additional change brought about by this amendment removes the excise tax on Canadian raw leaf tobacco when sold for consumption in Canada.

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Department of Agriculture  
Marketing Service, Economics Division



# FEDERAL AGRICULTURAL LEGISLATION IN CANADA

1958 SUPPLEMENT

ECONOMICS DIVISION, MARKETING SERVICE  
DEPARTMENT OF AGRICULTURE  
Ottawa, February, 1959





## PREFACE

This supplement summarizes agricultural legislation passed by Parliament in two sessions, one which sat in 1958 and the other in the latter part of 1957. The first session of the 23rd Parliament sat from October 14, 1957 until February 1, 1958 when the house was dissolved. A general election followed, and the first session of the 24th Parliament met on May 12, 1958. This session was prorogued September 6, 1958.

Included in this supplement are new acts, and amendments to acts described in "Federal Agricultural Legislation in Canada, 1954" and the two supplements to that bulletin. The classification is the same as in the previous bulletins and page numbers run consecutively. The consolidated index beginning on page 104 contains references to legislation in all four bulletins. References to page numbers in previous bulletins also appear under the names of amending acts in this supplement.

The summaries contained herein have no legal standing and are designed merely to provide information on current legislation as it relates to agriculture. The statutes themselves should be consulted where exact legal interpretations are required.



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## II AGRICULTURAL PRODUCTION

### 1. General

ANIMAL CONTAGIOUS DISEASES ACT, amendment S.C. 1958, c.11.

See also 1954 bulletin, p.3.

The statutory limits on the amount of compensation for cattle slaughtered under the act to eradicate spasmodic outbreaks of serious diseases which do not normally exist in Canada are removed, and owners will receive compensation for these animals at full market value.

For cattle slaughtered pursuant to area or herd disease eradication programs, such as bovine Tuberculosis or Brucellosis, the cash compensation is increased to \$140 (from \$100) for purebred and to \$70 (from \$40) for grade animals.

The additional compensation for unsaleable carcasses remains unchanged.

### 2. Farm Supplies and Feeds

FERTILIZERS ACT (1957)

See also 1954 bulletin, p.6.; 1957 supplement, p.89.

This act which received Royal Assent in April 1957 became effective on July 1, 1958 by proclamation.

## IV FARM CREDIT FACILITIES AND GOVERNMENT RELIEF ASSISTANCE

CANADIAN FARM LOAN ACT, amendment, S.C. 1958, c.14.

See also 1954 bulletin, p.16.

1956 supplement, p.77.

1957 supplement, p.89.

The authorized capital of the Canadian Farm Loan Board is increased from four million to six million dollars divided into 60 thousand shares of the par value of 100 dollars each. This increases the board's lending power from \$80 million to \$120 million.

PRAIRIE FARM ASSISTANCE ACT, amendment, S.C. 1958, c.15.

See also 1954 bulletin, p. 22.

1956 supplement, p.78.

1957 supplement, p.90

The definition of "farmer" is extended to include family farming corporations and regulations are authorized to define "co-operative farming association" and "family corporation". Flax and rapeseed are now



included in grains to which the Act applies. In the case of cultivated land which a farmer was unable to seed or summerfallow due to natural causes beyond his control, the basis for award is changed from "one-sixth of a township" to "an area of six or more adjoining sections". If the six or more adjoining sections each include part of the affected area, and the area is at least one-third of the total cultivated land in these adjoining sections, then award will be made, computed at the rate of four dollars per acre. Eligibility for award is extended to include Crown lands opened for settlement since 1940. Sections having an average yield of 12 or more bushels per acre are excluded from award and from consideration in calculating the average yield for purposes of ascertaining the amount of the award. Where a farmer has land in more than one eligible township, payment will be made first on the eligible acreage in the township where the award is the highest. In order to qualify for the minimum award of 200 dollars, a farmer must have at least one-half of his total cultivated acreage in an eligible area. A low yield area contiguous to an eligible township, having an average yield of eight bushels or less, will be eligible for award; also, a rectangular block of sections outside an eligible area, comprising not less than one-third of a township, will be eligible for award as though it were a complete township. The previous minimum area equivalent was one-half of a township.

Where less than ten per cent of a cultivated area is sown to wheat, the yield of the predominating grain may be substituted as an index.

The payment of all authorized awards is changed from two instalments of 60 per cent in December and 40 per cent the following March to one payment only, to be made in December.

PRAIRIE GRAIN ADVANCE PAYMENTS ACT, S.C. 1957-58, c.2., amendment,  
S.C. 1958, c.16.

This act provides for cash advances by the Wheat Board on the initial payment for thrashed wheat, oats and barley stored on farms in Western Canada. Producers must apply for their advance before June 1 of the crop year to which it relates. The advance applies to the delivery quota of six bushels per specified acre, less any deliveries (other than under a unit quota) made by the producer prior to his application in the crop year concerned. The amount of the advances was set at 50 cents per bushel for wheat, 20 cents for oats and 35 cents for barley. (For the 1957-58 and 1958-59 crop years, the advance equaled approximately one-half the initial payment at local elevators). The maximum payment allowable per delivery permit book is 3,000 dollars.

When applying for an advance payment, a producer must execute an undertaking to the effect that he will, as soon as subsequent quotas permit, deliver grain to the Wheat Board until one-half of the initial payment therefor equals the advance payment made to him. When he receives the advance payment, his permit book is endorsed by an agent of the Board and as subsequent deliveries are made, one-half of the initial

payment for all grain (excluding the initial unit quota) delivered under that permit book will be deducted by the elevator agent until the undertaking has been fully discharged. Should a producer fail to deliver enough grain to cover the advance, he must repay the amount outstanding with a charge of six per cent per annum after default. Anyone in default in respect to an advance payment may not receive another advance in the same or any subsequent crop year, until the original undertaking is discharged.

Provision is made for advance payments to joint producers who are entitled to deliver under one permit book. Application must be made jointly by all the producers concerned, and the terms of the act covering distribution of payments, repayment and liability in case of default are set out at that time.

Under the Act, the Wheat Board may borrow money to make advance payments, and enter into such contracts or agreements it considers advisable for administration. It has the power to waive any default for specified periods, or recover payments in default by withholding participation money payable to producers. The Minister of Finance may reimburse the Board out of the Consolidated Revenue Fund for interest charges on borrowed funds, and advance payments in default.

A producer's indebtedness on a guaranteed loan obtained under the Prairie Grain Producers Interim Financing Act, 1956, will be deducted from his advance payment and paid to the bank, which will cancel any endorsement in the permit book made under that act. No deduction will be made from an advance payment for the Prairie Farm Assistance Act one per cent levy. Instead, two per cent of the producer's share of initial payments on grain delivered to the Board will be made at the time of deliveries, until the levy has been paid.

The Act came into force on November 25, 1957 by proclamation.

Under the 1958 amendment, "general acreage quota" is defined as any permission given by the Wheat Board to deliver grain, expressed in terms of a number of bushels per specified or seeded acre. The requirement that land description be included on an application form is deleted, as the producer's permit book contains that information.

Deliveries made by producers are classified into three types; under general acreage quotas, under a unit quota, and other deliveries.

In the case of deliveries other than under a unit quota, made to repay an advance, deliveries made in exchange for seed grain are exempted and the deduction of one-half the initial payment will not be made from them. Of deliveries made prior to application for advance payment, only those made under general acreage quotas will be deducted from the six-bushel-per-specified-acre entitlement.

Two new subsections provide for consolidation of advance payments where an applicant still has an endorsement in his permit book for an

advance payment made in the previous crop year which is not fully discharged, but not in default. The endorsement will be amended to include the new advance. As the Board receives payment it shall be applied against advance payments outstanding, in the order in which they were given. A minor amendment clarifies the method of deducting a levy for the Prairie Farm Assistance Act, namely that the two per cent levy is applied only against the portion of the initial payment payable to the producer on delivery of the grain, until the debt has been discharged.

## V. INCOME TAX

INCOME TAX ACT, amendment, S.C. 1958, c.32.

See also 1954 bulletin, p.25.

1956 supplement, p.79.

1957 supplement, p.90

An amendment removes the limitation that no more than one-half of a taxpayer's farming loss may be deducted, and provides that all of a farming loss up to \$2,500 plus one-half of the loss in excess of \$2,500 may be deducted. The maximum deductible as farming loss is \$5,000. Computation of farm loss is changed to allow the inclusion of amounts deducted for depreciation or capital cost allowances.

A new subsection provides exemption from gift tax for gifts of real property made from a farmer to his spouse or one of his children for farming purposes, up to a maximum value of \$10,000. Only one such exemption may be claimed during the lifetime of the donor. Previously, the maximum exemption had been \$4,000.

## VI. MARKETING OF FARM PRODUCTS

### 1. General

AGRICULTURAL STABILIZATION ACT, S.C. 1957-58, c.22.

This legislation repealed and succeeded the Agricultural Prices Support Act, 1944, as of March 3, 1958, when it was proclaimed. The purpose of the Act is to stabilize prices of agricultural commodities in order to assist producers in realizing fair returns for their labor and investment, and to maintain a fair relationship between prices received by farmers and the costs of goods and services they buy, thus to provide them with a fair share of the national income. Under the Act an agricultural commodity means:

- (a) cattle, hogs, sheep, butter, cheese, eggs and wheat, oats and barley not produced in the Canadian Wheat Board area; these are known as "named commodities",



- (b) any other natural or processed product of agriculture designated by the Governor-in-Council as an agricultural commodity for the purposes of the Act; these are known as "designated commodities".

The Act provides for the establishment of an Agricultural Stabilization Board consisting of three members appointed by the Governor-in-Council. The Board, will take such action as is necessary to stabilize the prices of agricultural commodities at their prescribed prices and to ensure that the prescribed prices for commodities bear a fair relationship to the costs of production.

An Advisory Committee, representing farmers and farm organizations, is appointed by the Minister to advise the Board. The committee must meet at least twice a year.

The system of guaranteed prices provided for in the Act is based on a ten-year moving average formula. A base price is to be established for each commodity, the price of which is to be stabilized under the Act. This base price is the average price of that commodity at representative markets as determined by the Board during the ten years immediately preceding the year for which the base price is calculated. For the nine "named" commodities the Board shall take action to stabilize the price at a minimum "prescribed" price of 80 per cent of the base price or at such higher percentage as the Governor-in-Council prescribes. For other products "designated" as eligible under the act, the "prescribed" prices are to be determined as an appropriate percentage of the base price. In the determination of the "prescribed" price, the estimated average cost of production of the commodity is to be used as a guide, together with such other factors as the Governor-in-Council considers relevant. Actions by the Board in relation to the nine "named" commodities shall continue for 12 months from the date they are commenced; those for "designated" commodities will apply for one year, or for such other period as the Governor-in-Council prescribes.

Subject to any regulations made by the Governor-in-Council under the Act, the Agricultural Stabilization Board may carry out its function of stabilizing prices by:

- (1) outright purchase of a commodity at the prescribed price;
- (2) a deficiency payment to producers equal to the amount by which the prescribed price exceeds an average market price determined by the Board to be appropriate;
- (3) any other method of payment, including fixed subsidy, approved by the Government.

It also has authority to sell or otherwise dispose of, package, process, store, ship, transport, export or insure any product purchased by the

Board or enter into contracts or appoint agents to engage in activities to stabilize agricultural prices. The Board may purchase at the request of any department of the Government of Canada any agricultural commodity required by such department. It may stabilize the price of any food product at a level proportionate to the prescribed price for the agricultural commodity concerned.

Working capital of the Board is a revolving fund of \$250 million which is maintained at that level by annual appropriations if there is a loss on the year's operations, or by payment of any operating surplus to the Consolidated Revenue Fund.

CANADA AGRICULTURAL PRODUCTS STANDARDS ACT, amendment, S.C. 1958,

c.5.

See also 1956 supplement p.80.

The definition of "agricultural product" is extended to include leaf tobacco, so that standards may be established for interprovincial and export transactions.

This Act, passed in 1955 came into effect by proclamation on June 13, 1958.

#### IX. TRADE

CUSTOMS TARIFF, amendment, S.C. 1958, c.27.

See also 1954 bulletin, p.59.

1956 supplement, p.83.

1957 supplement, p.91.

Changes in Schedule A broadened the tariff classification categories relating to some imported items of interest to agriculture, namely rose stock for grafting or budding, vegetable materials for coloring or flavoring, pitted dates, materials and equipment used in artificial insemination of animals, and parts of machinery and apparatus used for dairying purposes.

CUSTOMS ACT, amendment, S.C. 1958, c.26.

See also 1954 bulletin, p.58.

1956 supplement, p.83.

Sections 35 to 40 of the Act have been repealed and new sections substituted, the intention being to establish a more workable scheme for determining value for duty. The main principle on which value for duty is based remains unchanged: that is on fair market value of like goods when sold in the home market of the exporter in similar circumstances as to trade level, quantities and competitive conditions. If this cardinal principle cannot be applied, the new sections provide that cost of production plus an allowance for profit of similar goods be used; and,



if there are no similar goods, the Minister may prescribe the method for determining the value for duty. A new section is added to provide a safeguard against dumping of goods at a value less than the cost of production plus a reasonable profit. Another subsection sets out the method by which the Minister of National Revenue may determine and declare the value for duty on any imported fresh fruit or vegetable of a kind produced in Canada, if he considers the market price in the country of export has declined as a result of the advance of the season to levels that do not reflect the normal value of the commodity. This value for duty shall be the average weighted value of imports of the commodity during the preceding three years. This latter subsection is to become effective on a date to be fixed by proclamation.

EXCISE TAX ACT, amendment, S.C. 1958, c.30.

See also 1954 bulletin, p.69.

1956 supplement, p.84.

1957 supplement, p.92.

Exemption of farm equipment and supplies from the ten per cent sales tax is extended to include stock conditioners and feed supplements for poultry and livestock, sugar beet handling equipment, rodent poisons, fruit tree guards, cut flowers and materials used in grain and seed cleaning machines.

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# FEDERAL AGRICULTURAL LEGISLATION IN CANADA

1959 SUPPLEMENT

ECONOMICS DIVISION,  
DEPARTMENT OF AGRICULTURE  
Ottawa, JANUARY 1960



## PREFACE

This supplement summarizes agricultural legislation passed by Parliament in 1959 during the second session of the 24th Parliament which sat from January 15 to July 18.

Included in this supplement are new acts and amendments to acts described in "Federal Agricultural Legislation in Canada, 1954" and the three supplements to that bulletin. The classification is the same as in the previous bulletins and the page numbers run consecutively. The consolidated index beginning on page 113 contains references to legislation in all five bulletins. References to page numbers in previous bulletins also appear beside the names of amending acts in this supplement.

The summaries contained herein have no legal standing and are designed merely to provide information on current legislation as it relates to agriculture. The statutes themselves should be consulted where exact legal interpretations are required.





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### III LAND POLICIES

#### 2. Land Settlement

VETERANS' LAND ACT, amendment, S.C. 1959, c.37 and Regulation amendment P.C. 1959-1135.

See also 1954 bulletin, p.11.

The major change in the Act is the amendment to "Part III - Farm Improvement Assistance", which increases the maximum loan to full-time veteran farmers to \$20,000 from the former \$9,000. The repayment period for this type of loan is increased to 30 years from 25 years. The purposes for which a loan under Part III may be used are extended to include the purchase of livestock and equipment and the refinancing of existing indebtedness. The ratio of the loan to the security is increased from 66 2/3 to 75 per cent of the appraised value of the total security, including, as well as land and buildings, a percentage of the value of basic herd livestock and farm equipment.

A further amendment increases from \$1,400 to \$3,000 the amount of the loan that may be advanced to part-time farmers and commercial fishermen. The veteran shall contribute \$1 for each \$3 of loan rather than the present ratio of \$1 for each \$2 advanced. Part II of the Act provides loans for the purpose of dwelling construction. An amendment to this Part removes the provision that the cost to the Director cannot exceed 85 per cent of the estimated market value of the land and the proposed dwelling, and increases the loan available to a veteran for the construction of a single-family dwelling to \$10,000 from \$8,000.

A regulation amendment provides that an interest rate of five per cent shall also be charged for new contracts with a veteran for the purchase of property on a civilian basis when he does not wish to reside on or personally operate that property in accordance with the agreement under the Act.

### IV - FARM CREDIT FACILITIES AND GOVERNMENT RELIEF ASSISTANCE

FARM IMPROVEMENT LOANS ACT, amendment, S.C. 1959, c.25.

See also 1954 bulletin p. 17.

1956 supplement p.78.

The definition of "farming" is amended to include "bee keeping". This allows persons engaged in honey production to qualify for loans under the Act. Poultry are included as livestock under the Act. The maximum amount of the loan that a farmer can receive has been raised to \$7,500 from \$5,000.

FARM CREDIT ACT, S.C. 1959, c.43.

This Act provides for the extension of long term mortgage credit to farmers. It repeals the Canadian Farm Loan Act, and the Farm Credit Corporation which is established under this Act will take over the assets of the Canadian Farm Loan Board. The Farm Credit Corporation consists of five members appointed by the Governor in Council for a term not exceeding ten years. An Advisory Committee consisting of a Chairman and at least six but not more than nine other members, the majority of whom shall be farmers or representatives of farm organizations, is set up to advise the Corporation on matters arising under the Act.

The Corporation has the authority to make loans on two basic types of long-term mortgage. The first type is similar to, but more extensive than, loans granted under the Canadian Farm Loan Act. Authorized loans will be made on 75 per cent of the appraised value of the farm lands and buildings. The former ratio was 65 per cent. The maximum loan available to farmers is increased to \$20,000 from \$15,000. If the farmer desires supervision, it will be available to him through the Veteran's Land Act Administration for a small fee.

The second type of farm mortgage credit makes provision for loans to farmers up to the lesser of 75 per cent of the appraised value of lands, buildings, livestock and equipment, or \$27,500, with compulsory supervision and inspection of the farming operations by the Corporation until the principal amount of the loan outstanding has been reduced to 65 per cent of the appraised value of the land and buildings. Statements of the farm's operations may be required by the Corporation. In order to obtain this type of loan the farmer must be between the ages of 21 and 45 years of age with at least five years' farming experience. He must submit for approval a plan of his farming operations. The annual supervision fee for this loan is two per cent of the amount of the loan or \$100 whichever is the lesser. All loans secured by land must be repaid within 30 years and any portion secured by chattels within ten years, at an annual interest rate of five per cent.

The Corporation may determine the method of repayment, thus allowing the use of crop-share repayment when applicable. The definition of "farmer" has been widened to include co-operative farm associations and family farm corporations.

CROP INSURANCE ACT, S.C. 1959, c.42.

This Act is designed to assist the provinces in setting up crop insurance legislation. The federal Government is authorized to make a grant in the amount of 50 per cent of any administrative costs of a crop insurance act which may be passed by each one of the provinces. It will also pay 20 per cent of any premium charged by the provinces. If the loss to the province in any one year is greater than the current premium receipts, plus any reserves, plus \$200,000, then the federal Government will agree to advance loans in the amount of 75 per cent of any amount over and above these three items.

Each province may determine the crops that will be covered, the premiums that will be paid and the proportions payable by the province and by the farmer. Federal financial assistance will be available only on the condition that the crop insurance schemes are actuarially sound.

Farmers will be eligible for either crop insurance or prairie farm assistance. Since those who join the crop insurance scheme will not be eligible for prairie farm assistance, they will not be required to pay the one per cent levy for such assistance.

## VI MARKETING OF FARM PRODUCTS

### 2. Commodities

#### (b) Livestock and livestock products

##### HUMANE SLAUGHTER OF FOOD ANIMALS ACT, S.C. 1959, c.44.

This Act provides that regulations may be made by the Governor in Council which prescribe the manner of, and the methods and devices to be used in, the slaughter of food animals in federally-inspected plants. Neither meat nor meat products may move interprovincially or into export trade unless the food animal from which they were derived had been slaughtered as required by the regulations. The slaughtering establishment must also meet the requirements of the regulations.

Poultry slaughter does not come under the jurisdiction of this Act as the present methods of slaughter are considered satisfactory and poultry are not considered to be food animals. The requirements of the Act and regulations will not interfere with the ritual slaughter practices of certain religious groups.

##### MEAT INSPECTION ACT, S.C., 1955, c.36.

See also 1956 supplement p.82.

This Act and the regulations for its enforcement were proclaimed in effect on March 1, 1959. The regulations revoke those previously in effect under the Meat and Canned Foods Act.

##### CHEESE AND CHEESE FACTORY IMPROVEMENT ACT, R.S.C., 1952, c.47,

Regulations amendment P.C. 1958-1742.

See also 1954 bulletin, p.42.

An amendment to the regulations of this Act places a limit of \$60,000 on the total grant which any cheese factory may obtain from the federal government.



(d) Seeds

SEEDS ACT, S.C. 1959, ch. 35.

See also 1954 bulletin, p.45.

The Seeds Act is revised to meet recent trends and developments in the production, processing and merchandising of seeds. The Governor in Council may make regulations prescribing:

- (a) the establishment of grades using the standards of the Canadian Seed Growers' Association;
- (b) the terms and conditions under which and the manner in which seed crops may be inspected or seeds may be graded or tested;
- (c) the minimum standards of purity, germination, quality and disease for seeds;
- (d) the requirements of the packing and marking of seeds and the marking and labelling of the packages thereof;
- (e) the terms and conditions under which variety names of seeds may be used;
- (f) the requirements for exempting any seed or any person from the operation of all or any of the provisions of this Act;
- (g) the taking of samples and the testing of seeds for the purposes of this Act;
- (h) the fees that may be charged for any services provided under this Act.

The Act prohibits the selling, importing into Canada or exporting out of Canada of any seed unless it conforms to the prescribed standards and is packed and labelled as prescribed. It also prohibits the selling or importing into Canada of seed of a variety that is not prescribed by the Minister.

The Minister may, by order, prescribe the varieties of seeds that may be sold in Canada or imported into Canada, and the species of plants the seeds of which he deems to be weed seeds.

### VIII. TRANSPORTATION

#### FREIGHT RATES REDUCATION ACT, S.C. 1959, c.27.

This Act authorizes the Board of Transport Commissioners to require transportation companies, both rail and water, receiving the 17 per cent general increase in non-competitive class and commodity rates as of December 1, 1958, to reduce these rates, as directed, in return for a compensatory subsidy. The proposed subsidy amounts to \$20 million over a 12-month period or an estimated seven per cent reduction in the rates affected, thus reducing the 17 per cent increase to ten per cent.

Some freight rates are not affected by this legislation. These include agreed charges, rates on coal and coke, statutory rates on grain and grain products, export and import rates to and from Canadian ports which are maintained on a parity with United States rates. Competitive rates are also excluded.

### IX. TRADE

#### CUSTOMS TARIFF, amendments, S.C. 1959.

See also 1954 bulletin, p.59  
1956 supplement, p.83  
1957 supplement, p.91  
1958 supplement, p.102

Changes in Schedule A provide for a duty on potatoes, table and seed, new and old, of  $37\frac{1}{2}$  cents per hundredweight to apply throughout the year. The rate of duty on imported peaches remains at  $1\frac{1}{2}$  cents a pound but it will be in force for 14 instead of nine weeks each year. Imported apples are subject to duty of  $\frac{1}{4}$  cent per pound all year instead of free for ten weeks and  $\frac{3}{8}$  cent a pound for the remainder of the year.

The seasonal duties are increased or the seasonal period extended, or both, for the following products: asparagus, Brussel sprouts, cabbage, carrots, cauliflower, celery, corn-on-the-cob, cucumbers, lettuce, onions, peppers, parsnips, apricots, sour cherries, pears and prunes. An additional duty of five per cent will be charged on green beans, Brussel sprouts, carrots, beets, cauliflower, lettuce, peas, parsnips and corn-on-the-cob when imported in season in consumer-type packages.

Free entry during the out-of-season period now applies to beans, cabbages, carrots, cauliflower, celery, lettuce, peppers, tomatoes, cantaloupes, pears, plums and strawberries. Increases in duty on canned and frozen products apply to asparagus, Brussel sprouts, apricots, cherries, peaches and prunes.

EXCISE TAX ACT, amendments, S.C. 1959, c.23

See also 1954 bulletin, p.69.

1956 supplement, p.84

1957 supplement, p.92

1958 supplement, p.103

Changes by these amendments include a rewording of two clauses in Schedule III which lists the items that are exempted from sales tax. The item "feed supplements for addition to poultry, cattle and other stock feeds" will now also include "materials to be used exclusively in the manufacture thereof". The item "tanks for collecting milk" will also include materials used in their manufacture.

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# FEDERAL AGRICULTURAL LEGISLATION IN CANADA

1960 SUPPLEMENT



ECONOMICS DIVISION,  
DEPARTMENT OF AGRICULTURE  
Ottawa, SEPTEMBER 1961





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## PREFACE

This supplement summarizes agricultural legislation passed by Parliament in 1960 during the third session of the 24th Parliament which sat from January 14 to August 10.

Included in this supplement are new acts and amendments to acts described in "Federal Agricultural Legislation in Canada, 1954" and the four supplements to that bulletin. The classification is the same as in the previous bulletins and the page numbers run consecutively. The consolidated index beginning on page 121 contains references to legislation in all six bulletins. References to page numbers in previous bulletins also appear beside the names of amending acts in this supplement.

The summaries contained herein have no legal standing and are designed merely to provide information on current legislation as it relates to agriculture. The statutes themselves should be consulted where exact legal interpretations are required.





## II AGRICULTURAL PRODUCTION

### 2. Farm Supplies and Feeds

FEEDS ACT, S.C. 1960 ch. 14.

This Act repeals and replaces the Feeding Stuffs Act, 1952. "Feed" is defined as any substance or mixture of substances containing proteins, carbohydrates, fats, minerals, condiments or vitamins manufactured and sold for livestock consumption. No person may sell or import into Canada any feed unless it has been registered, packaged and labelled as prescribed and conforms to prescribed standards. Inspectors and analysts enforcing this Act may enter any place and sample any feed to which the Act applies and examine books or other documents relating to feed. The inspectors may seize and detain any articles by means of which any violation was committed.

Provision is made for penalties when the Act has been violated. The Governor in Council may make regulations covering registration of feeds, sampling, packaging, labelling and any other particulars necessary for carrying out the Act.

## IV FARM CREDIT FACILITIES AND GOVERNMENT RELIEF ASSISTANCE

PRAIRIE GRAIN PROVISIONAL PAYMENTS ACT, S.C. 1960, ch. 2.

This Act authorizes the Canadian Wheat Board to make payments for the 1959-60 crop year in respect of future deliveries of unthreshed grain. These payments are made available to producers through their local elevator agents between February 1, 1960 and May 1, 1960. No person who is in default with respect to an advance payment under the Prairie Grain Advance Payments Act may receive a provisional payment under this Act. Before a provisional payment is made to a producer he must agree to thresh the grain in respect of which the payment is made before June 1, 1960 and deliver same until one-half the initial payment therefor is equal to the payment made to him.

The amount of the provisional payment shall be one-half the unthreshed grain, irrespective of grade multiplied by fifty cents, twenty cents and thirty-five cents per bushel for wheat, oats and barley respectively. The maximum quantity of grain on which payment may be made would be the amount deliverable on a six bushel per specified acre quota less the amount of grain delivered prior to the application and less any farm stored grain. The maximum payment to a producer is \$1,500 under this Act and \$3,000 total under both this Act and the Prairie Grain Advance Payments Act for the 1959-60 crop year. Procedures are outlined for dealing with payments in default.



PRAIRIE GRAIN LOANS ACT, S.C. 1960, ch.1.

The purpose of this Act is to provide for the guarantee of bank loans made to prairie grain producers during the 1959-60 crop year. The Act makes provision for government guaranteed bank loans on the security of both threshed and unthreshed wheat, oats, barley, rye, flaxseed or rapeseed grown in the designated Wheat Board area. The applicant must sign a form showing the estimated total quantity of all crops being produced, the estimated quantity of grain that is deliverable under the farm's permit book during the 1959-60 crop year and the estimated income from the sale of such grain. Repayment is made out of deliveries and producers are required to assign to the bank one-half of the proceeds from the sale of their grain until the loan is repaid in full.

Loans under this Act are obtainable until June 1, 1960 with a maximum limit of \$1,500 to any one farmer. The borrower must have discharged all obligations incurred by him under the Prairie Grain Advance Payments Act or the Prairie Grain Provisional Payments Act before obtaining a loan. In calculating the amount of the loan to a borrower a deduction from the maximum amount of the loan shall be made for the amount of all previous guaranteed loans made to that borrower and the amount of any advance payment received by him during 1959-60 crop year under the Prairie Grain Advance Payments Act and provisional payment received by him under the Prairie Grain Provisional Payments Act.

VIII TRANSPORTATION

FREIGHT RATES REDUCTION ACT, amendment, S.C. 1960, ch. 42.

See also 1959 supplement p. 111.

An amendment to this Act extends up to nine months, but not beyond April 30, 1961, the period during which the revised freight rates under the Act shall be applicable. A further amendment increases the authorized expenditure under the Act from \$20 million to \$35 million.

IX TRADE

CUSTOMS TARIFF, amendment, S.C. 1960, ch. 27.

Schedule A is amended to increase the BP and MFN tariffs on imports of pre-cooked potatoes in powder, flake or granular form without admixture beyond the addition of preservatives to 17½ per cent. These products were formerly admitted free. The MFN tariff on iodized mineral salts, for use in the feeding of animals, is reduced from 15 per cent to ten per cent. Magnets for veterinary use are permitted entry free of tariff.



EXPORT AND IMPORT PERMITS ACT, amendment, S.C. 1960, ch. 12.

The authority of the act is extended for a three year period from July 31, 1960 to July 31, 1963 by this amendment. Where the present Act refers to the Agricultural Prices Support Act, the amendment substitutes the Agricultural Stabilization Act which became operative March 3, 1958.

EXCISE TAX ACT, amendment, S.C. 1960, ch. 30.

This amendment eliminates the 11 per cent sales tax on supplements to feeds for fur-bearing animals, and on containers and materials used in the manufacture of containers for agricultural products not subject to sales tax where such containers are not designed for dispensing goods for sale. The exemption applies to barrels, boxes, baskets, crates and bags for packaging fruits and vegetables; boxes and crates for eggs, butter and cheese boxes; cans and insulated bags for ice cream; corrugated paper boxes for bread; flour bags, milk and cream bottles and cans.

CANADA-U.S.S.R. TRADE AGREEMENT

Signed by Canada and the U.S.S.R. in Moscow on April 18, 1960; ratified by Canada on July 12, 1960.

This agreement replaces the former three-year agreement which lapsed in February 1959. It provides for the exchange of MFN tariff treatment and a basis for agreement on the valuation of goods for duty.

For every dollar's worth of Russian goods purchased by Canada, the U.S.S.R. offers to buy two dollars worth of Canadian goods. The target for Canadian purchases is set at \$12.5 million per annum and Russian purchases at \$25 million. Purchases of at least 200,000 tons of Canadian wheat per year are included in this amount. If Canadian purchases fall below \$12.5 million, Soviet purchases might be correspondingly reduced to maintain the two-to-one ratio.

THE AUSTRALIAN TRADE AGREEMENT ACT, S.C. 1960, ch. 17.

This Act repeals the Australian Trade Agreement Act of 1931. This agreement does not involve any changes in the actual rates of duty but existing rates and margins of preference on a number of items of interest to both Australia and Canada are bound against reduction. Article VI provides that Canadian goods entering Australia and Australian goods entering Canada will not be subject to anti-dumping regulations unless there is evidence of material injury to producers of like or directly competitive products in the country of importation. Only if consultation between the governments fails to result in a satisfactory solution will the provisions of the Article be waived.

Consultative procedures are provided for on matters not specifically dealt with in the agreement including import restrictions, surplus disposal, protectionism and other non-tariff obstacles to trade.





This agreement will remain in force for a period of three years from the date of ratification (June 30, 1960) and thereafter until six months after a notice of termination is filed by either government.



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# **FEDERAL AGRICULTURAL LEGISLATION**

**CANADA 1969**



**Economics Branch  
CANADA DEPARTMENT OF AGRICULTURE**

**69 / 19**

**October 1969**



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CANADA 1969

Economics Branch  
Canada Department of Agriculture  
Ottawa





## PREFACE

This reference bulletin replaces Federal Agricultural Legislation in Canada, 1954 and the supplements issued by the Economics Branch between 1955 and 1960. The earlier publications are out of print and are not available for distribution.

The text of this bulletin is based on the Revised Statutes of Canada, 1952 and on legislation and amendments enacted as of August 1, 1969. Agricultural legislation and sections relating to agriculture in other Acts are outlined. In many cases, the pertinent sections are given. Some of the Acts mentioned are administered by Departments other than the Department of Agriculture.

The Acts are classified according to purpose into eight broad categories listed in the Table of Contents and have been arranged alphabetically in their respective sections. The abbreviations used are:

|        |                            |
|--------|----------------------------|
| R.S.C. | Revised Statutes of Canada |
| S.C.   | Statutes of Canada         |
| c.     | chapter                    |
| s.     | section                    |

These outlines are not intended for use as substitutes for the Acts themselves nor are they intended to be a summary of the legislation. For legal interpretation the Statutes should be consulted.

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## I. ADMINISTRATION

DEPARTMENT OF AGRICULTURE ACT, R.S.C. 1952, c. 66.

*"An Act respecting the Department of Agriculture."*

This Act provides for the establishment of the Department of Agriculture to be presided over by a Minister assisted by a Deputy Minister. The Minister has the control and direction of agriculture, arts and manufactures, the Experimental Farm Stations and any other matters assigned to him by the Governor in Council.

EXPERIMENTAL FARM STATIONS ACT, R.S.C. 1952, c. 101.

*"An Act respecting Experimental Farm Stations."*

This Act provides for the establishment of an experimental farm station for:

- (a) the provinces of Ontario and Quebec jointly, which is the principal or central station;
- (b) Nova Scotia, New Brunswick and Prince Edward Island jointly;
- (c) Manitoba;
- (d) Saskatchewan, Alberta and the Northwest Territories jointly;
- (e) British Columbia; and
- (f) Newfoundland.

Officers of these farm stations are to conduct any experiments bearing upon the agricultural industry of Canada, which are approved by the Minister of Agriculture. These include research and verification of experiments in stock breeding, animal diseases, the production of butter and cheese, wheat and cereals, field crops, grasses and forage plants, fruits, vegetables, plants and trees, seeds, the comparative value of different fertilizers and animal foods and the eradication of plant diseases and destructive insects and pests.

STATISTICS ACT, R.S.C. 1952, c. 257.

*"An Act respecting the Dominion Bureau of Statistics."*

The Census of population and agriculture of Canada shall be undertaken by the Bureau, under the direction of the Minister, in the month of June 1951 and every tenth year thereafter, on a day to be fixed by the Governor in Council. (s.16)

A census of population and agriculture of the Province of Manitoba, Saskatchewan and Alberta shall be taken by the Bureau, under the direction of the Minister, in the month of June in the year 1956 and every tenth year thereafter, on a day to be fixed by the Governor in Council. (s.17)

The Minister of Trade and Commerce may authorize the collection of statistics by the sampling method. The Dominion Bureau of Statistics is empowered to collect, compile, analyze and publish statistics on specific matters, some of which relate to: agriculture, horticulture, dairying, cold storage, prices and cost of living, imports and exports.

For census purposes farmers must furnish correct information concerning persons in the household, farm dwellings, tenure, land, crops and livestock or any other matters prescribed by the Governor in Council, or be subject to the penalties stated in the Act.

## II. LAND POLICY

### 1. Land Development, Conservation and Irrigation

*AGRICULTURAL AND RURAL DEVELOPMENT ACT (ARDA), S.C. 1960-61, c. 30;*

*"An Act to provide for the rehabilitation and development of rural areas in Canada."*

The Minister may, with the approval of the Governor in Council, enter into an agreement with any province providing for:

(a) the undertaking jointly with the government of the province or any agency thereof of projects for the more efficient use and economic development of rural lands specified in the agreement.

(b) the payment to the province of contributions in respect of the cost of such projects undertaken by the government of the province or any agency thereof.

The Minister may undertake, directly or in co-operation with the government of the province, or any agency thereof, programs of research and investigation respecting the more effective use and economic development of rural lands in the province. (s.2)

The Act provides for a shared cost arrangement for the development of income and employment opportunities in rural areas specified in the agreement and for improving standards of living in those areas. (s.3)

The Minister may, with the approval of the Governor in Council, enter into an agreement with any province providing for:

(a) projects for the development and conservation of water supplies for agricultural or other rural purposes; and

(b) projects for soil improvement and the conservation of rural lands in that province or in any area specified in the agreement. (s.4)

Every agreement entered into pursuant to this Act shall specify the respective proportions of the cost of any project and the contribution in respect of such project; specify the authority that shall be responsible for the undertaking, operation and maintenance of such project; specify the respective proportion of the revenues that are to be paid to the Minister and the province; specify the charges to persons to whom any of the benefits of the project are made available. (s.5)

The Minister, may in order to carry out the purposes and provisions of this Act, establish such advisory committees as he deems necessary and appoint the members. (s.6)

The Governor in Council may, by regulation, make provision for any matter concerning which he deems regulations are necessary or desirable to carry out the purposes and provisions of this Act. (s.8)



CANADA WATER CONSERVATION ASSISTANCE ACT, S.C. 1952-53, c.21.

This Act authorizes the federal government to sign agreements with the provinces whereby it will contribute financial assistance towards the construction of major projects for the conservation and control of water resources under the terms and conditions specified in the Act. Such grants are not to exceed  $37\frac{1}{2}$  per cent of the cost of the project and are to be paid out of monies appropriated by Parliament for that purpose. The actual construction work must be carried out by the province or by the local authority.

The Act also provides for ancillary conservation measures such as reforestation to be undertaken in connection with water conservation projects, wherever these measures are required to ensure the protection of natural resources in the area concerned.

FUND FOR RURAL ECONOMIC DEVELOPMENT ACT, S.C. 1966-67, cc. 41, 80.

*"An Act to provide for the establishment of a fund for the economic and rural development of special rural development areas."*

The Minister may, on the recommendation of the Advisory Board and with the approval of the Governor in Council, enter into an agreement with any province providing for:

- (a) the undertaking jointly with the province or any agency thereof of a comprehensive rural development program in a special rural development area;
- (b) the payment to the province of a contribution in respect of the cost of a comprehensive rural development program.  
(s.4)

No agreement shall be entered into under this section after March 31, 1970. (s.4)

For the purpose of this Act a comprehensive rural development program is a program, consisting of several development projects, that is designed to promote the social and economic development of a special rural development area and to increase income and employment opportunities and raise living standards in the area, and that makes provision for participation by residents of the area in the carrying out of the program. A special rural development area is a predominantly rural area within a province that is designated in an agreement between the province and the Minister to be an area of widespread low incomes resulting from economic and social adjustment problems and has a reasonable potential for economic and social development. (s.5)

Every agreement entered into pursuant to this Act shall specify the respective proportions of the cost of any program to which the agreement relates and the contributions in respect of such projects, specify the authority that shall be responsible for the undertaking, operation and

maintenance of such programs; and specify the terms and conditions as to the operation and maintenance of any program to which the agreement relates. (s.6)

There shall be an Advisory Board consisting of senior officials of departments or agencies of the Government of Canada to be appointed by the Governor in Council. (s.7)

The Governor in Council may make regulations to provide for any matter concerning which he deems regulation necessary or desirable to carry out the purposes and provisions of this Act. (s.9)

*GOVERNMENT ORGANIZATION ACT, 1966, S.C. 1966-67, c. 25.*

*"An Act respecting the organization of the Government of Canada and matters related or incidental thereto."*

This Act established the Department of Indian Affairs and Northern Development. (s.15)

The Minister of Indian Affairs and Northern Development will be responsible for undertaking, promoting and recommending policies and programs for the further economic and political development of the Northwest and Yukon Territories. (s.18)

*MARITIME MARSHLAND REHABILITATION ACT, R.S.C. 1952, c. 175.*

*"An Act respecting the reclamation and development of marshlands in Nova Scotia, New Brunswick, and Prince Edward Island."*

This Act authorizes the Minister to enter into agreements with the governments of Nova Scotia, New Brunswick and Prince Edward Island for the construction and reconstruction of dykes, aboiteaux, and breakwaters to reclaim and develop the marshlands in these provinces. Before any work is undertaken, a province must fulfill the requirements stated in the Act.

Officers, employees and Advisory Committees may be appointed to assist the Minister in carrying out the provisions of the Act.

*NORTHWEST TERRITORIES ACT, R.S.C. 1952, c. 331.*

*"An Act respecting the Northern Territories."*

The Act gives the Commissioner of the Northwest Territories in Council legislative powers for the government of the Territories in regard to agriculture, and authority to make regulations concerning the herding, control, protection, transfer, shipment, sale, slaughter or other disposal, of reindeer or reindeer carcasses. (s.13)

*PRAIRIE FARM REHABILITATION ACT, R.S.C. 1952, c. 214.*

*"An Act to provide for the rehabilitation of drought and soil drifting areas in the Provinces of Manitoba, Saskatchewan and Alberta."*

Rehabilitation may consist of the development and promotion within these areas of systems of farm practices, tree culture, water supply, irrigation, land utilization and land settlement that will afford greater economic security. (s. 4)

Provision is made for the appointment of a Director, an Associate Director of Rehabilitation and such other employees as are necessary to carry out the provisions of this Act, and for the establishment of an Advisory Committee. (s.6)

Under the terms of this Act, the Minister may, subject to the approval of the Governor in Council, undertake the development, construction, promotion, operation and maintenance of projects or schemes to secure the rehabilitation of the drought and soil drifting areas of the Provinces of Manitoba, Saskatchewan and Alberta and may enter into agreements with any province, municipality or person with respect thereto. (s.9)

*YUKON ACT, S.C. 1952-53, c. 53.*

*"An Act to provide for the Government of the Yukon Territory."*

The legislative powers that concern agriculture and which are assigned to the Commissioner of the Yukon Territory under this Act include agriculture, irrigation and local improvement districts, property rights, the preservation of game in the Territory, the levying of a tax on furs or parts of fur-bearing animals shipped or taken outside the Territory. (s.16)

The Governor in Council may make regulations concerning reindeer. (s.41)

## 2. Land Settlement

*LAND TITLES ACT, R.S.C. 1952, c. 162.*

This Act applies to lands in the Northwest Territories and in the Yukon. Provision is made for the establishment of registration districts and Land Titles Offices in each such district. Regulations are set out regarding the registration of lands.

*PUBLIC LANDS GRANTS ACT, R.S.C. 1952, c. 224.*

*"An Act respecting grants of public lands."*

Under the terms of this Act, the Governor in Council is empowered to authorize the sale, lease or other disposition of any public lands that are not required for public purposes and for the disposition of which there is no other provision in the law.

*SOLDIER SETTLEMENT ACT, R.S.C. 1927, c. 188.*

*"An Act to assist returned soldiers in settling upon the land."*

The Veterans' Land Act, 1942, for World War II veterans is the successor to the Soldier Settlement Act of 1919 and its subsequent amendments for the veterans of World War I. The Soldier Settlement Act provided for the free grant of a quarter-section of any Dominion Land reserved pursuant to this Act, and for the purchase and sale to veterans of farms not exceeding 320 acres except in special circumstances, and livestock for which loans up to \$2,000 could be made repayable in 7 years. Up to \$1,000 could also be lent for permanent improvements. The Act provided for the full amount of the funds lent to be repaid in 25 equal annual instalments with interest at 5 per cent per year.

No settlement of veterans has been made under the provisions of this Act since 1924 but some contracts are still in force.

*TERRITORIAL LANDS ACT, R.S.C. 1952, c. 263.*

*"An Act respecting Crown Lands in the Yukon Territory and the Northwest Territories."*

Subject to this Act, the Governor in Council may authorize the sale or lease or other disposition of territorial lands that are under the control, management and administration of the Minister and may make regulations authorizing the Minister to sell, lease or otherwise dispose of territorial lands subject to such limitations and conditions as the Governor in Council may prescribe. (s.4)

Limitations are placed on the area of territorial lands sold or leased to an individual, particularly in the case of hay lands or those suitable for grazing. Permits must be obtained to cut timber on territorial lands. (s.12)

*VETERANS' LAND ACT, 1942-43, R.S.C. 1952, c. 280.*

*"An Act to assist war veterans to settle upon land."*

The Act applies to veterans of World War II, and to veterans of Special Forces under the provisions of the Veterans Benefit Act, 1951, providing they can meet the requirements of the Act with regard to service and discharge. (s.2)

Part I of the Act is entitled "Land Settlement Assistance" under which three types of loans may be made.

An appointed Director, responsible to the Minister of Veterans Affairs may make provision for placing veterans with selected farmers for practical training in farming and supply instructors and inspectors to assist veterans with information and instruction in farming. (s.6)

Subject to the provisions of the Act and regulations, the Director may contract with a veteran certified by him to be qualified to participate in the benefit of this Act for the sale to such veteran of land *to which the Director holds title* and improvements thereon, building materials, livestock and farm equipment up to a total cost to the Director of \$6,000.



Of this amount \$1,200 may be used for the purchase of livestock and equipment or commercial fishing equipment. The contract sale price to the veteran for his purchases must equal at least two-thirds, and the down payment must be one-tenth of the cost to the Director; the interest rate is  $3\frac{1}{2}$  per cent per year and the balance of the purchase price payable in 30 years. (s.10)

Under the second type, a maximum of \$5,800 is available to a veteran who has a rental or purchase agreement which is satisfactory to the Director; up to \$3,000 of this amount may be used to purchase livestock and equipment. The veteran is required to pay 20 per cent of the cost to the Director of the livestock and farm equipment and 10 per cent of the cost of land, improvements and building material. He must sign a contract covering 40 per cent of the total costs to the Director of the livestock and farm equipment and 50 per cent of the cost to the Director, of land, improvements and buildings. The interest rate on the repayable amount of both contracts is  $3\frac{1}{2}$  per cent per year. (s.10)

The third type of loan under Part I of the Act provides that subject to the limitations stated, the Director may make advances, totaling \$4,400 to a veteran on the security of the land owned and farmed by him, to discharge encumbrances, purchase livestock and equipment and effect permanent improvements. The total advance may not exceed 60 per cent of the value of land, and the advance for purchase of livestock and farm equipment may not exceed 50 per cent of the value of the land to a maximum of \$2,500. The amount advanced is fully repayable over a period of 30 years at  $3\frac{1}{2}$  per cent interest, or in full at any time. (s.15)

The veteran must keep buildings on property which he has contracted to buy, fully insured in favor of the Director and pay all lawful rates, taxes, assessments on it, or the Director will do so and charge interest from the date on which payment was made at the rate in effect at the time. (ss.16-17)

The Act authorizes the Director to sell all or part of the property, including stock and equipment, with the consent of the veteran to whom the property was originally sold, to another qualified veteran or to any other person. Before a veteran's purchase agreement may be terminated for non-payment of instalments or other reasons the circumstances must be referred to a three member provincial board for decision. (ss.18-19)

The Governor in Council may appoint regional or provincial advisory committees to advise the Director on matters such as qualification of veterans and selections of lands. (s.37)

With the approval of the Governor in Council under Part I of this Act, the Minister of Veterans Affairs may enter into agreement with the provinces or with the Minister of Indian Affairs and Northern Development for the settlement of veterans on suitable provincial or Crown lands. The Director may grant a maximum of \$2,320 to these veterans for clearing and breaking land and for the purchase of building material, construction, household equipment, livestock, and machinery or equipment for farming, fur farming and fishing. [This grant is not repayable if the veteran fulfills the terms of settlement for a 10-year period.] (s.38)



A grant not exceeding \$2,300 may be made to an Indian veteran who settles on Indian Reserve land, to be used for the same purposes enumerated in the preceding paragraph. However, he may also use this grant for acquisition of occupational rights to lands, vacant or improved, located within the boundaries of an Indian Reserve. (s.39)

The Statute Law Amendment (Newfoundland) Act of 1949 extends the Veterans' Land Act to include veterans of the naval or military forces of Newfoundland. However, any benefits that would otherwise be available to a member of the forces of Newfoundland under the Veterans' Land Act are reduced by the amount of similar benefits that he may have received from a government other than that of Canada. (s.44)

Under Part III, entitled Farm Improvement Assistance, the loan ceiling for a commercial family farm is \$40,000 less any outstanding indebtedness of Part I and Part III loans. Veterans must have an existing Part I contract or apply for both at the same time. Loans however, shall be limited to 75 per cent of the security held by the Director or the debt-carrying capacity of the property under the veteran's management, whichever is the lesser. Security may consist of land, basic herd livestock and farm equipment provided the security in land is not less than 60 per cent of total security held. In addition, loans are available for the development on the farm of secondary enterprise not necessarily related to farming. (s.64)

Veterans settled on small farms may receive loans of \$18,000 less the amount owing under previous loans. Loans to small family farms may be advanced for the same purposes as loans to commercial family farms. These loans are normally limited to 75 per cent of the market value of the land held as security although under certain circumstances loans up to 90 per cent of the market value may be made where adequate and additional security is available. (s.64a)

A loan of \$10,000 is available to a part-time farmer as supplementary financial assistance under or in respect of the contract made under Part I of the Act if the veteran provides 20 per cent of the assistance so requested for use by the Director for the purpose for which the loan is to be made. (s.65)

The interest on loans made by the Director under this part shall be at the rate or rates in effect at the time of approval by the Director of the veteran's application for assistance in respect of the loan. Loans made by the Director under this part shall be repayable in equal instalments of principal and interest over a period not exceeding 30 years. (s.68)

The Governor in Council may make regulations:

- (a) prescribing the terms and conditions on which a loan may be made to a veteran;
- (b) prescribing the amounts of basic herd livestock or farm equipment the director may hold as security;
- (c) prescribing the rate or rates of interest in effect for the purpose of this Act. (s.75)

The Act provides penalties for violations of the provisions.

### III. FINANCE

#### 1. Credit

*BANK ACT, S.C. 1966-67, c. 87.*

*"An Act respecting banks and banking."*

For the purposes of the Act: "Agricultural equipment" means implements, apparatus, appliances and machinery, of any kind usually affixed to real or immovable property, for use on a farm but does not include a farm electric system; "agricultural implements" means tools, implements, apparatus, appliances and machines, of any kind not usually affixed to real or immovable property for use on or in connection with a farm; "crops growing or produced upon the farm" includes all products of the farm; "farm" means land in Canada used for the purpose of farming which term includes livestock raising, dairying, bee-keeping, the production of maple products, fruit-growing, the growing of trees and all tillage of the soil; "farm electric system" includes all machinery, apparatus and appliances for the generation or distribution of electricity on a farm whether or not affixed to real or immovable property; "farmer" includes the owner, occupier, landlord or tenant of a farm; "products of agriculture" include grain, hay, roots, vegetables, fruits, other crops and all other direct products of the soil, honey, maple products, livestock (alive or dead), dairy products, eggs and all other indirect products of the soil in any form or state. (s.2)

A bank may lend money and make advances to any wholesale purchaser or shipper of, or dealer in products of agriculture upon security of such products and goods, wares and merchandise used in or produced for the purchasing of such products, or to any farmer:

- (a) upon the security of crops growing or produced upon the farm and;
- (b) for the purchase of seed grain or seed potatoes and any crop to be grown therefrom;
- (c) for the purchase of fertilizer, upon the security of fertilizer and any crop to be grown from land on which, in the same season, the fertilizer is to be used;
- (d) for the purchase of binder twine and the crop in the harvesting of which the binder twine is to be used;
- (e) or to any person engaged in livestock raising, upon the security of livestock, but when such livestock is exempt from seizure under writ of execution under any statutory law that was in force on July 1, 1923, such security is ineffective;
- (f) for the purchase of agricultural implements, upon the security of such agricultural implements;
- (g) for the purchase or installation of agricultural equipment or a farm electric system, upon the security of such agricultural equipment or farm electric system;

- (h) for the repair of an agricultural implement or of agricultural equipment, alteration or improvement of farm electric system, the erection and construction of fencing or drainage works on a farm, the construction, repair or alteration of, or making of additions to any building or structure on a farm; and for any works for the improvement or development of a farm for which a farm improvement loan as defined in the Farm Improvement Loans Act may be made upon the security of agricultural implements but any such security taken on agricultural implements is not effective in respect of any items that at the time the security is taken are exempt from seizure under writs of execution under any statutory law that was in force on September 1, 1944.

If the borrower fails, inter alia,

- (1) to repay the loan or advance;
- (2) to take care of or harvest the crops or care for the livestock on which the security was given;
- (3) to care for or obtain authority from the bank for disposal of the property on which security is given;

the bank may take possession of or seize the property covered by the security and in the case of a crop to care for it and harvest it, or thresh the grain therefrom, and in the case of livestock to care for it, and has the right and authority to enter upon land or premises whenever necessary for any such purpose and to detach and remove such property, exclusive of wiring, conduits or piping incorporated in a building, from any real or immovable property to which it is affixed. (s.88)

The maximum rate of interest on a loan or advance for the period commencing on the coming into force of this Act and ending on the 31st day of December, 1967 was 7.25 per cent; and for any part of an interest period commencing on or after the first day of January, 1968, 1.75 per cent plus the average of the market yield on short term bonds of Canada for all Wednesdays in the averaging period immediately preceding such interest period, calculated to the nearest 0.25 per cent; or if the results would be equidistant from two multiples of 0.25 per cent, to that multiple thereof that is the lower. (s.91)

*CO-OPERATIVE CREDIT ASSOCIATIONS ACT, S.C. 1962-53, c. 28.*

*"An Act respecting Co-operative Credit Associations."*

This Act provides for the incorporation and organization of co-operative credit associations operating in more than one province. These associations will operate under the supervision of the federal superintendent of insurance. Before any such national association may operate it must come to Parliament for incorporation by a special act. The objects, powers, and restrictions on the powers of the associations are set forth in the Act.

Under the Act a national association may not lend to any individual borrower who is a member of the association an amount in excess of 10 per cent of the paid-up capital and deposits. This limitation does not apply to the member associations themselves, that is, to the provincial organizations, which may continue to lend in excess of those amounts.

*FARM CREDIT ACT, S.C. 1959, c. 43.*

*"An Act to provide for the extension of long term mortgage credit to farmers."*

Part I of this Act provides for the establishment of the Farm Credit Corporation consisting of five members, one of the members of which is to be the Chairman and one, vice-chairman. (s.3)

The Minister shall appoint an advisory committee consisting of a Chairman and at least six but not more than nine other members, the majority of whom shall be farmers or representatives of farm organizations. (s.9)

The objects and the purposes of the Corporation are to make and to administer and supervise farm loans as provided in the Act and for such objects and purposes the Corporation may:

- (a) take and hold mortgages on real and personal property and any other security;
- (b) acquire, hold and sell or otherwise dispose of real property for its actual use in the operation and management of its business;
- (c) acquire, by foreclosure or other proceedings or in any other manner, and hold any real or personal property mortgaged to the Corporation and sell, mortgage, lease or otherwise dispose of such property;
- (d) engage the services of appraisers, consultants, advisors or other persons and establish branches or employ agents as may be necessary in the conduct of its business, and may make arrangements with the Director of the Veterans' Land Act for utilizing the services of any persons employed pursuant to the Veterans' Land Act in the administration of this Act;
- (e) make compositions or schemes of arrangements, grant extensions of time and accept other security in substitution for any security held by the Corporation's agreement;
- (f) take such steps and do all such things as it appears necessary or desirable to protect the interests of the Corporation;
- (g) prescribe forms of mortgages, agreements and other documents and execute and deliver deeds, grants, conveyances, transfers, releases, discharges or other documents as may be necessary in the conduct of its business; and



- (h) generally, do any act or thing incidental or conducive to the exercise of its powers and functions and the conduct of its business.

Where a person has two or more major occupations, one of which is farming, the Corporation may determine which of such occupations is his principal occupation for the purpose of this Act. (s.11)

The proceeds of the loan shall be used for the following purposes:

- (1) to acquire farm land;
- (2) to purchase fertilizers, seed, livestock, tools, machinery and any implements and equipment necessary for the efficient operation of the mortgaged farm;
- (3) to erect farm buildings or to clear, drain, irrigate, fence or make any other permanent improvement to the mortgaged farm or to other land used by the borrower as part of his farming enterprise;
- (4) to discharge liabilities:
  - (a) to pay operating costs and the costs of maintaining the farmer and his family for such periods as in the judgement of the Corporation is necessary for the establishment of the farming enterprise in respect of which the loan is made;
  - (b) to assist in the development on the mortgaged land of a secondary enterprise not being a farming enterprise;
- (5) any purpose that in the judgement of the Corporation is necessary for the efficient operation of the mortgaged farm or will increase the value of the farming enterprise in respect of which the loan is to be made.

Loans under this Act shall be made only to farmers, farming corporations and co-operative farm associations engaged in or shortly to become engaged in the operation of the mortgaged farm. (s.16)

The interest payable in respect of any loan made under this Act shall be at the rate or rates prescribed by the Governor in Council at the time of the approval of the loan.

With the approval of the Governor in Council, the Corporation may enter into agreement with the Minister of Indian Affairs and Northern Development for the purpose of enabling loans to be made under this Act to farmers who are Indians on reserves, to farming corporations and co-operative farming associations, the shareholders or members of which are Indians on reserves and to bands engaged in farming operations on reserves. (s.17a)



With the approval of the Governor in Council, the Corporation may enter into an agreement with the Minister responsible for the Agricultural and Rural Development Act, a province, an agency of a province or any two or more of these whereby the Corporation may assist in the administration of any financial assistance to be given to borrowers by virtue of an agreement entered into under the Fund for Rural Economic Development Act. (s.18a)

The Governor in Council may from time to time by regulation prescribe the rate or rates of interest to be paid in respect of any loans made under this Act. (s.19)

Part II of the Act provides that the Corporation may make a loan to a farmer on security of a first mortgage on farm lands and such additional security as the Corporation may require. (s.20)

The amount of loan under this Part shall not exceed 75 per cent of the appraised value of farm lands on the security of which the loan is made. The total amount outstanding of loans that may be made under this Part shall not exceed in the case of an individual, \$40,000; in the case of two individuals carrying on a single farming enterprise, \$80,000; in the case of three or more individuals carrying on a single farming enterprise, \$100,000; in the case of a farming corporation and co-operative farm association, \$100,000. (s.21)

A loan made under this Part shall be repayable within a period not exceeding 30 years. (s.22)

Part III is entitled "Supervised Farm Loans". Subject to the provisions of this Part, the Corporation may make loans to farmers upon the security of first mortgages on farm lands, or on farm lands and chattels and such additional security as the Corporation may require. (s.23)

Where the Corporation is satisfied that the farming enterprise in respect of which an application for a loan is made, is an economic farm unit, it may make a loan under this Part to an individual, or two or more individuals or to a farming corporation. The amount of a loan made under this Part shall not exceed 75 per cent of the appraised value of the farm lands and chattels on the security of which the loan is made. If in the opinion of the Corporation, the farming enterprise will be operated with a higher than average degree of efficiency, the amount of the loan shall not exceed 90 per cent of such appraised value. The total amount outstanding of loans shall not exceed, in the case of an individual, \$55,000; in the case of two or more individuals, \$100,000 and in the case of a corporation, \$100,000. (s.24)

A borrower under this Part is not eligible under the Farm Improvement Loans Act unless the principal amount of his loan under this Part outstanding is less than 75 per cent of the appraised value of farm lands on which the loan is secured. (s.28)

FARM IMPROVEMENT LOANS ACT, R.S.C. 1952, c.110.

*"An Act to encourage the provision of intermediate term and short term credit to farmers for the improvement and development of farms, and for the improvement of living conditions thereon."*

In this Act "farm improvement loan" means a loan made by a bank to a farmer for the purpose of financing:

- (a) the purchase of agricultural implements;
- (b) the purchase of livestock;
- (c) the purchase or installation of agricultural equipment or a farm electrical system;
- (d) the alteration or improvement of a farm electrical system;
- (e) the erection or construction of fencing or works for drainage on a farm;
- (f) the construction, repair or alteration of, or making of additions to, any building or structure on a farm;
- (g) any work for the improvement or development of a farm, designated in the regulations; or
- (h) the purchase, by the owner of a farm, of additional land for the purpose of farming. (s.2)

The Minister shall, subject to the provisions of this Act, pay to a bank the amount of loss sustained by it as a result of a farm improvement loan if the principal amount of the loan did not, at the time of making of the loan, together with the amount owing in respect of other guaranteed farm improvement loans previously made to the borrower and disclosed in his application, or of which the bank had knowledge, exceed the sum of \$25,000 in the case of loans for land purchases and \$15,000 in the case of loans for other purposes. Loans for land purchases are repayable in full in not more than 15 years; for other purposes, in not more than 10 years. (s.3)

The Minister is not liable, subject to the provisions of the Act, if the aggregate principal amount of guaranteed farm loans made by all chartered banks exceeds \$900 million. The total liability in the case of credit unions, caisses populaires, other co-operative credit societies, and insurance, trust and loan companies (designated as "banks" by the Minister for purposes of this Act) is limited to \$300 million. (s.5)

Security is taken at the time the loan is made or pursuant to a written promise or agreement to give such security. The appropriate security depends upon the type of loan granted and is determined by regulations which may be made by the Governor in Council on the recommendation of the Minister. Conditions on which loans may be obtained, the classes of loans, the interest rates and repayment terms are prescribed by regulation. (s.6)

FARM SYNDICATES CREDIT ACT, S.C. 1964-65, c. 29.

*"An Act to provide for the extension of credit to farm syndicates."*

In this Act, "corporation" means the Farm Credit Corporation; "farming" includes livestock raising, dairying, fruit growing and all tillage of the soil; "farm syndicate" means an association formed by agreement in writing and approved by the Corporation between not less than three individuals who are engaged in farming or who are members of a co-operative farm association, as defined by the regulation and the principal occupation of a majority of whom is farming. Where an individual has two or more occupations, one of which is farming, the Corporation may determine which of such occupations is his principal occupation for the purposes of this Act. (s.2)

Subject to this Act, the Corporation may make loans to a farm syndicate for the purchase of farm machinery, to purchase, erect or improve buildings or to purchase or improve land on which buildings are, or are to be erected. Loans shall be secured by a promissory note signed by each member of the syndicate in which each member undertakes jointly or severally to be liable for the outstanding amount of the loan; and such other security and mortgage on the farm machinery purchased with the loan. (s.3)

With the approval of the Governor in Council, the Corporation may enter into an agreement with the Minister of Indian Affairs and Northern Development for the purpose of enabling loans to be made under this Act to bands engaged in farming operations on reserves where at least 3 members of any such band who have attained the age of 21 years are engaged in farming and at least 2 of those members are principally occupied in such farming operations. (s.3a)

The amount of loan made under this Act shall not exceed 80 per cent of the actual price to the farm syndicate for the farm machinery, buildings or lands to be purchased with the loan. The total amount outstanding of loans made under this Act to a farm syndicate shall not exceed \$15,000 multiplied by the number of members in the syndicate at the time the loan is made or \$100,000, whichever amount is the lesser. (s.4)

Every loan made under this Act shall be for such terms, not exceeding 7 years, as is fixed by the Corporation after considering the kind of machinery to be purchased by the loan; and 15 years as is fixed by the Corporation after considering the kind of machinery that is installed or is to be installed in buildings, or buildings or land to be purchased and improved with the loan. Subject to the approval of the Governor in Council, the interest rate is prescribed by the Corporation. This rate must be such that it covers the cost of money advanced by the Corporation plus the cost of administering the loan, together with a reserve against possible loss. (s.5)

The Corporation shall, at the time of making a loan, retain therefrom a service charge in an amount equal to 1 per cent of the amount of the loan. (s.6)

FARMERS' CREDITORS ARRANGEMENT ACT, R.S.C. 1952, c. 111.

*"An Act to facilitate compromises and arrangements between insolvent farmers and their creditors" (and also to simplify the operation of the Bankruptcy Act with respect to farmers generally).*

In this Act, "creditor" includes a secured creditor and any person to whom a farmer owes any debt and includes the Crown, as well in right of any province as in right of Canada, "Court" means the county or district court of the county court district or judicial district in which the farmer resides.

Where a farmer residing in Alberta, Manitoba or Saskatchewan

- (i) who did not make a proposal under the Farmers' Creditors Arrangement Act, 1934 or
- (ii) who made a proposal under the Farmers' Creditors Arrangement Act, 1934, pursuant to which a composition, extension of time or scheme of arrangements was approved by the court or confirmed by the Board of Review on or before December 31, 1938,

is unable to meet his debts as they become due, if two-thirds of the total amount thereof is owing by him in respect of debts incurred before May 1, 1935, he may make a proposal under this Act for a composition, extension of time or scheme of arrangement either before or after an assignment under the Bankruptcy Act.

Such a proposal filed by a farmer and approved by the creditors, when approved by the court, shall be binding upon the creditors and the farmer. Where a farmer has made a proposal which has not been approved by the creditors or where the court has refused to approve a composition, extension of time or scheme of arrangement submitted to it pursuant to a proposal, the court shall, on the written request of a creditor or of the farmer, endeavor to formulate an acceptable proposal to be submitted to the creditors and the farmer and may cause it to be binding upon them. The farmer may not dispose of any of his land or interest therein within three years after the date on which the composition, extension of time or scheme of arrangement was approved, except with the permission of the court.

An appeal may be taken from any judgement or order of the court made in any proceedings under this Act pursuant to a proposal to the Appeal Court in the province in which the court has jurisdiction and a decision of the Appeal Court shall be final.

No farmer is entitled to make more than one proposal under this Act.

The Act further provides that whenever any rate of interest exceeding 7 per cent is stipulated for in any mortgage of farm real estate, if the mortgagee pays to the mortgagor the amount owing on such mortgage and interest to the time of payment, together with 3 months' further interest in lieu of notice, no interest shall, after this 3-month period, be chargeable in respect of the said mortgage at any rate in excess of 5 per cent per year.



If a farmer fails to carry out the arrangements approved by the court under this Act, except when his failure is the result of causes beyond his control, the court may, on the application of the creditor, annul the composition, extension of time or scheme of arrangement, and Part II of the Bankruptcy Act shall then apply to the farmer.

*NATIONAL HOUSING ACT, 1954, S.C. 1953-54, c. 23.*

*"An Act to promote the construction of new houses, the repair and modernization of existing houses and the improvement of housing and living conditions."*

This legislation authorizes the Central Mortgage and Housing Corporation to insure mortgage loans made by approved lenders to help finance residential construction in urban and rural areas.

"Lender" means a loan, insurance, trust or other company or corporation, trustee of trust funds, building society, credit union or other co-operative credit society authorized to lend money on the security of real or immovable property, and a bank. To make loans under the Act a "lender" must be approved by the Governor in Council. For purposes of the Act a farm is defined as "land used for any tillage of the soil, including livestock raising, dairying and fruit-growing". (s.2)

At the time an approved loan or an instalment of it is made, the borrower must pay an insurance fee. The fee is seven-eighths of one per cent of the amount lent or one per cent of each instalment if the loan is an instalment loan. The fee is added to the amount of the loan and is amortized with it. (s.6)

A loan is insurable if it was made by an approved lender for the purpose of assisting in the construction of a house; alteration of an existing residential structure to add one or more family housing units; the purchase or improvement of an existing house or for the purpose of discharging a loan secured by a mortgage on a house. Such construction, alteration or improvement to be in accordance with standards approved by the Corporation. A loan is insurable if it was made by an approved lender to the person who owns the farm upon which the house has been built; if it was made for the aggregate of such percentages of the lending value or part thereof as is prescribed by regulations or such lesser amounts as is requested in writing by the borrower, and the amount of insurance fee paid in respect of the loan; if it was secured by a first mortgage in a form prescribed by regulation on the house in favor of the approved lender, and such further security, assignments, assurances and agreements as have been required by the Corporation. The Act requires that the term of an approved loan shall be at least 25 years but not more than 40 years, or for ... less than 25 years if the borrower so requested in writing. With the approval of the Corporation, borrowers' charges may be added to the principal of an approved loan or an insured loan. (s. 7)

The Governor in Council may by regulation:

- (a) determine the maximum loan;
- (b) set the minimum period of amortization of an insured loan;



- (c) subject to the provisions of this Act, determine maximum charges that an approved lender or holder of an insured loan may make concerning the loan;
- (d) make provisions for any matters concerning which he deems regulations are necessary or desirable to carry out the purposes or provisions of Part I of this Act. (s.12)

Home improvement and house extension loans do not include farm improvement loans as defined in the Farm Improvement Loans Act.

*PRAIRIE GRAIN ADVANCE PAYMENTS ACT, S.C. 1957-58, c. 2.*

*"An Act to provide for advance payments for Prairie grain prior to delivery thereof."*

Subject to this Act, the Wheat Board upon application may make a payment to a producer in respect of a crop year, as an advance on the initial payment for threshed grain in storage otherwise than in elevator prior to delivery thereof to the Board. No advance payment shall be made to a producer in respect of a crop year, unless the application is made during the crop year and before the first day of June in that crop year, and is approved by the manager or operator of an elevator or other person authorized by the Board to make advance payments on its behalf. No person who has received an advance payment under this Act in any crop year and who is in default in respect thereof is, until his undertaking has been fully discharged, entitled to receive another advance payment in the same or subsequent crop year. (s.3)

An application for an advance payment shall be made in prescribed form, shall be signed by the producer and shall show the amount of the advance payment for which application is made; the kind and quantities of threshed grain in storage at the time of application; the number of the permit book under which he is entitled to deliver grain; for the period from the beginning of the crop year in which the application is made to the time of application, the kind and quantities of grain that have been delivered by the applicant to the Board under general acreage quotas and his unit quota. An application shall be verified by affidavit and shall include authorization by the applicant that one half of the initial payment for grain delivered to the Board under the permit book specified in the application or any permit book issued in substitution or extension thereof, may be deducted and paid to the Board until the undertaking of the applicant has been discharged. (s.4)

Before an advance payment is made to a producer he shall execute an undertaking in prescribed form in favor of the Board to the effect that upon default he will repay to the Board the amount in default with interest at 6 per cent a year after default. However, the recipient may at any time prior to default discharge his obligation to deliver grain to the Board or any part thereof, by payment to the Board. (s.5)

Where two or more producers are entitled to deliver grain under one permit book, no advance payment shall be made unless all such producers named in the permit book jointly make the application and execute the undertaking, and the advance payment shall be made to all such producers jointly or as they direct in the application. An application by two or more producers should specify the shares of the advance payment to be paid to each. (s.6)

Subject to this section, the amount of an advance payment to a producer in respect of the grain deliverable under the permit book specified in the application shall be the quantity of threshed grain (irrespective of the grade) that the applicant has in storage otherwise than in elevator and undertakes to deliver to the Board, less any undelivered grain in respect of which a previous advance payment was made, multiplied by \$1 per bushel in the case of wheat; 40 cents per bushel for oats and 70 cents for barley. The quantity of grain in respect of which an advance payment may be made to a producer shall not exceed the quantity that would be deliverable under the applicant's current permit book on a quota of six bushels per specified acre minus the quantity of grain delivered to the Board under general acreage quotas and the unit quota by the applicant prior to his application and during the crop year in which the application is made. Not more than a total of \$6,000 shall be paid as advance payments in respect of grain to be delivered under the permit book specified in an application. (s.7)

At the time an advance payment is made to a producer he shall deliver to the person who approves his application on behalf of the Board the permit book described in his application and an endorsement shall be made therein in prescribed form to the effect that one-half the initial payment delivered under that permit book shall be deducted and paid to the Board until the producer has discharged his undertaking. Where an advance payment is made to a producer in a previous crop year in respect of which he has not fully discharged his undertaking but is not in default, that endorsement shall be amended by adding the amount of the new advance payment. (s.8)

Where the Board has made an advance payment to a producer, the Board has a lien for the amount thereof on the grain in respect of which the advance payment was made. (s.10)

A producer's indebtedness on a guaranteed loan obtained under Prairie Grain Producers Interim Financing Act, 1956 will be deducted from his advance payment and paid to the bank who will cancel any endorsement in the permit book made under that Act. (s.18)

No levy shall be deducted under the Prairie Farm Assistance Act from an advance payment. Instead 2 per cent of the producer's share of the initial payment on grain delivered to the Board will be made at the time of deliveries, until the levy has been paid. (s.23)

*PRAIRIE GRAIN LOANS ACT, S.C. 1960, c.1.*

The purpose of this Act was to provide for the guarantee of bank loans made to Prairie grain producers during the 1959-60 crop year. The Act makes provision for government guaranteed bank loans on the security of both threshed

and unthreshed wheat, oats, barley, rye, flaxseed or rapeseed grown in the designated Wheat Board area. The applicant signed a form showing the estimated total quantity of all crops being produced, the estimated quantity of grain that was deliverable under the farm's permit book during the 1959-60 crop year and the estimated income from the sale of such grain. Repayment was made out of deliveries and producers were required to assign to the bank one-half of the proceeds from the sale of their grain until the loan was repaid in full.

Loans under this Act were obtainable until June 1, 1960 with a maximum limit of \$1,500 to any one farmer. The borrower must have discharged all obligations incurred by him under the Prairie Grain Advance Payments Act or the Prairie Grain Provisional Payments Act before obtaining a loan. In calculating the amount of the loan to a borrower, a deduction from the maximum amount of the loan was made for the amount of all previous guaranteed loans made to that borrower and the amount of any advance payment received by him during the 1959-60 crop year under the Prairie Grain Advance Payments Act and provisional payment received by him under the Prairie Grain Provisional Payments Act.

*PRAIRIE GRAIN PRODUCERS INTERIM FINANCING ACT, 1956, S.C. 1956, c. 1.*

*"An Act to provide ~~short~~-term credit to grain producers in the Prairie Provinces to meet temporary financial difficulties arising from inability to deliver all their grain."*

The legislation authorizes the government guarantee of bank loans on farm-stored threshed western wheat (other than durum), oats, barley, and rye at 5 per cent per annum, simple interest. The total amount lent to a farmer is not to exceed the lesser of half the returns from the estimated quantity for **delivery** or \$3,000, minus the aggregate, at the time of application for the loan, of the monies that have been paid or are payable for the sale of grain delivered by or on behalf of the borrower, under his current permit book. (ss.2-3)

The Act provides that half of the money payable to the producer for subsequent deliveries is to be paid to the bank to apply against repayment of the loans. (s.7)

Government liability is limited to 15 per cent where the aggregate principal amount of loans made by a bank does not exceed \$100,000 or 10 per cent when it does. There is to be no liability on loans made after the aggregate principal amount of guaranteed loans by all banks reaches \$50,000,000. (s.4)

The Governor in Council is authorized to make regulations to carry out the provisions of the Act. (s.5)



*PRAIRIE GRAIN PROVISIONAL PAYMENTS ACT, S.C. 1960, c.2.*

This Act authorized the Canadian Wheat Board to make payments for the 1959-60 crop year in respect of future deliveries of unthreshed grain. These payments were made available to producers through their local elevator agents between February 1, 1960 and May 1, 1960. No person who was in default with respect to an advance payment under the Prairie Grain Advance Payments Act received a provisional payment under this Act. Before a provisional payment was made to a producer he agreed to thresh the grain in respect of which the payment was to be made before June 1, 1960 and to deliver same until one-half the initial payment therefor was equal to the payment made to him.

The amount of the provincial payment was one-half the unthreshed grain, irrespective of grade multiplied by 50 cents, 20 cents and 35 cents per bushel for wheat, oats and barley respectively. The maximum quantity of grain on which payment was made would be the amount deliverable on a six bushel per specified acre quota less the amount of grain delivered prior to the application and less any farm-stored grain. The maximum payment to a producer was \$1,500 under this Act and \$3,000 total under both this Act and the Prairie Grain Advance Payments Act for the 1959-60 crop year. Procedures are outlined for dealing with payments in default.

*QUEBEC SAVINGS BANKS ACT, S.C. 1966-67, c. 93.*

*"An Act respecting savings banks in the Province of Quebec".*

This Act applies to the Montreal City and District Savings Bank, La Banque d'Economie de Quebec, and the Quebec Savings Bank. In addition to other activities, the bank may lend money and make advances to any person if the bank takes the security with authority to sell it. In certain cases loans and advances can be made without security. The bank may lend money and make advances under the National Housing Act, 1954.

2. Income Assistance

*AGRICULTURAL STABILIZATION ACT, S.C. 1957-58, c. 22.*

The purpose of the Act is to stabilize prices of agricultural commodities to assist producers in realizing fair returns for their labor and investment, and to maintain a fair relationship between prices received by farmers and the costs of goods and services they buy, thus to provide them with a fair share of the national income. Under the Act an agricultural commodity means:

- (a) cattle, hogs, sheep, butter, cheese, eggs, and wheat, oats and barley not produced in the Canadian Wheat Board area; these are known as "named commodities",
- (b) any other natural or processed product of agriculture designated by the Governor in Council as an agricultural commodity for the purposes of the Act; these are known as "designated commodities".

The Act provides for the establishment of an Agricultural Stabilization Board consisting of three members appointed by the Governor in Council. The Board, will take such action as is necessary to stabilize the prices of agricultural commodities at their prescribed prices and to ensure that the prescribed prices for commodities bear a fair relationship to the costs of production.

An Advisory Committee, representing farmers and farm organizations, is appointed by the Minister to advise the Board. The committee must meet at least twice a year.

The system of guaranteed prices provided for in the Act is based on a 10-year moving average formula. A base price is to be established for each commodity, the price of which is to be stabilized under the Act. This base price is the average price of that commodity at representative markets as determined by the Board during the 10 years immediately preceding the year for which the base price is calculated. For the nine "named" commodities the Board shall take action to stabilize the price at a minimum "prescribed" price of 80 per cent of the base price or at such higher percentage as the Governor in Council prescribes. For other products "designated" as eligible under the Act, the "prescribed" prices are to be determined as an appropriate percentage of the base price. In the determination of the "prescribed" price, the estimated average cost of production of the commodity is to be used as a guide, together with such other factors as the Governor in Council considers relevant. Actions by the Board in relation to the nine "named" commodities shall continue for 12 months from the date they are commenced; those for "designated" commodities will apply for one year, or for such other period as the Governor in Council prescribes.

Subject to any regulations made by the Governor in Council under the Act, the Agricultural Stabilization Board may carry out its functions of stabilizing prices by:

- (1) outright purchase of a commodity at the prescribed price;
- (2) a deficiency payment to producers equal to the amount by which the prescribed price exceeds an average market price determined by the Board to be appropriate;
- (3) any other method of payment, including fixed subsidy, approved by the Government.

It also has authority to sell or otherwise dispose of, package, process, store, ship, transport, export or insure any product purchased by the Board or enter into contracts or appoint agents to engage in activities to stabilize agricultural prices. The Board may purchase at the request of any department of the Government of Canada any agricultural commodity required by such department. It may stabilize the price of any food product at a level proportionate to the prescribed price for the agricultural commodity concerned.



Working capital of the Board is a revolving fund of \$250 million which is maintained at that level by annual appropriation if there is a loss on the year's operations, or by payment of any operating surplus to the Consolidated Revenue Fund.

*CROP INSURANCE ACT, S.C. 1959, c. 42.*

*"An Act to provide for contributions and loans to the provinces in respect of Crop Insurance."*

Subject to this Act, the Minister may with the approval of the Governor in Council, enter into agreement with any province:

- (a) to provide for the payment by Canada to the province of contributions in respect of the cost incurred by the province in the operation of an insurance scheme, and
- (b) for either:
  - (1) the making of loans to the province in respect of the costs incurred by the province in the operation of an insurance scheme, or
  - (2) the reinsurance of a portion of the liability of the province for the payment of indemnities under an insurance scheme, which agreement for reinsurance is hereinafter referred to as a "reinsurance agreement". (s.3)

The federal government is authorized to make a grant in the amount of 50 per cent of any administrative costs of a crop insurance act which may be passed by each of the provinces. It will also pay 25 per cent of any premiums charged by the province. If the loss to the province in any one year is greater than the current premium receipts, plus any reserves, plus \$200,000, then the federal government will agree to advance loans in the amount of 75 per cent of any amount over and above these 3 items. (s.4)

There shall be established in the Consolidated Revenue Fund a special Fund account to be known as the Crop Reinsurance Fund:

- (a) to which shall be credited the monies paid by a province for the purpose of reinsurance;
- (b) to which shall be charged all amounts required for the purpose of making payments to a province under the terms of reinsurance agreements. (s.4a)

Each province may determine the crops that will be insured, the premiums that will be paid and the proportions payable by the province and by the farmer. The amount of the insurance to be effected on any crop in any area or any farm in any area, shall not exceed 80 per cent of the average yield of the crop in the area or on the farm whichever is the greater. (s.5)

The Governor in Council may make regulations for the administration of this Act and all agreements, and for carrying their purposes and provisions into effect, and without restricting the generality of the foregoing, may make regulations. (s.6)

Farmers will be eligible for either crop insurance or Prairie Farm Assistance. Since those who join the crop insurance scheme will not be eligible for Prairie Farm Assistance, they will not be required to pay the 1 per cent levy for such assistance. (s.9)

*PRAIRIE FARM ASSISTANCE ACT, R.S.C. 1952, c. 213.*

*"An Act to assist agriculture in the Prairie Provinces."*

The Act applies to farmers in a year of crop failure in the spring wheat area of Canada which includes the three Prairie Provinces and the Peace River District of British Columbia, and to certain Crown lands in the Northern parts of Manitoba and Saskatchewan granted or sold after December 31, 1940. The definition of "farmer" may be extended to include "family farming corporations" and "co-operative farming associations". For the purpose of this Act, "grain" means wheat, oats, barley, rye, flax and rapeseed. (s.2)

Subject to this Act, the Minister of Agriculture may in any crop year award to any person who was a farmer from May 1 to November 1, in such year, a sum by way of assistance according to his cultivated land in a township with respect to which an application for assistance has been made by the rural municipality in which that township is situated, or in case there is no such rural municipality, by the government of the province in which the township is situated. However, no award under this Act will be made with respect to more than half of the cultivated land of the farmer up to a maximum of 200 acres. (s.3)

The sums to be awarded by way of assistance under this Act are to be paid in December as follows:

- (a) if the average yield of wheat in the township is more than 5 and not more than 8 bushels per acre, the award shall be \$2 an acre;
- (b) if the average yield of wheat in the township is more than 3 and not more than 5 bushels per acre, the award shall be \$3 an acre;
- (c) if the average yield of wheat in the township is not more than 3 bushels, the award shall be \$4 an acre; and
- (d) if an area of cultivated land could not be seeded or summer-fallowed in the year of award owing to natural causes beyond the control of the farmer of such land, and 6 or more adjoining sections of land, or adjoining settlement or river lots in one or more groups declared to be a township for the purpose of this Act, each include part of this area, and the area is at least one-third of the total cultivated lands in those adjoining sections or lots; the award with respect to such areas shall be \$4 an acre. (s.3)

Sections having an average yield of 12 or more bushels an acre are excluded from award and from consideration in calculating the average yield for purpose of ascertaining the amount of the award. Where a farmer has land in more than one eligible township, payment will be made first on eligible acreage in the township where the award is the highest. To qualify for the minimum award of \$200, a farmer must have at least half of his total cultivated acreage in an eligible area. (s.3)

The Act provides for the establishment of a Board of Review, consisting of three members, whose duty it is to determine the eligibility of any township and any farmer or class of farmers for an award under this Act. Any decision of the Board is final. (s.4)

Where less than 10 per cent of a cultivated area is sown to wheat, the yield of the predominating grain may be substituted as an index. (s.5)

A low yield area contiguous to an eligible township, having an average yield of 8 bushels or less, will be eligible for award; also a rectangular block of a section outside an eligible area, comprising not less than one-third of a township, will be eligible for award as though it were a complete township. (s.6)

Provision is made for the deduction of a levy of 1 per cent from the purchase price of all western grains marketed in Canada. The proceeds of this levy constitute the Prairie Farm Emergency Fund out of which awards made under this Act are paid. If at any time the Fund is insufficient to pay these awards, advances of the amount required to meet the deficit may be made to the Fund by the federal government. (s.11)

*TEMPORARY WHEAT RESERVES ACT, S.C. 1956, c. 2.*

*"An Act respecting the payment of carrying costs of temporary wheat reserves owned by the Canadian Wheat Board."*

The Minister of Finance, out of the Consolidated Revenue Fund, is authorized to pay the storage and interest charges on wheat held by the Canadian Wheat Board in excess of 178 million bushels at the beginning of a crop year. The carrying rate charge is to be that in effect at the end of the preceding crop year. For the crop year which began on August 1, 1955, half the total amount due was to be paid when the Act came into force and the remainder in equal monthly amounts for the balance of the crop year. For any subsequent crop year the total amount payable is to be paid in equal monthly payments within the crop year.

The authority is to expire when stocks at the beginning of a crop year do not exceed 178 million bushels. The figure of 178 million bushels is the average figure for stocks in store on August 1 for the 15 years before 1951.



### 3. Income Tax<sup>1/</sup>

INCOME TAX ACT, R.S.C. 1952, c. 148.

*"An Act respecting income taxes."*

Although the provisions of the Act apply to all Canadian residents receiving revenue, this description will outline only the sections which apply specifically to farmers.

Every individual whose chief source of income is farming or fishing is required to pay on or before December 31 of each year, two-thirds of the tax as estimated by him or the actual taxable income for the immediately preceding year. The remainder of the tax must be paid on or before April 30 in the next year. (s.48)

"Farming" includes tillage of the soil, livestock raising or exhibiting, poultry raising, fur farming, dairying, fruit growing and bee keeping but does not include an office or employment under a person engaged in the business of farming. (s.139)

For taxation purposes farmers and fishermen are allowed to average their income over a five-year period. An averaging period consists of the year of averaging and the four immediately preceding years for which the taxpayer has filed income tax returns on time, as required under Part I of the Act. However, one may not include a year that was included in a previous averaging period or a year earlier than the sixth year prior to the year of averaging. (s.42)

Rental income based on the tenant's gross production in the course of farming (such as share-crop rentals) is considered for purpose of averaging to be income from farming. Where a farm is rented to a tenant on any other basis, the income from this source is not income from farming for the purpose of averaging.

Losses incurred may be deducted from the income in the same period and an excess of losses may be carried forward to be applied against income in the future years, not exceeding five. Where a taxpayer's chief source of income for a taxation year includes farming, a loss sustained from any source is deducted from income of the year from all other sources. If the income from all other sources is not sufficient to wholly absorb the loss, the remainder of the loss from a business, which includes farming, may be applied to reduce business profits of other years.

Farmers and fishermen are allowed to charge as an operating expense an amount called Capital Cost Allowance (depreciation). Capital Cost Allowance is governed by Parts XI and XVII of the Income Tax Regulations. Part XVII applies only to assets used for farming or fishing and, generally speaking, when a person who is engaged in the business of farming or fishing changes from Part XVII to Part XI, he can not later make a claim under Part XVII. A taxpayer who is engaged in the business of the production for sale of livestock or livestock products and who maintains for that purpose

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<sup>1/</sup> Information contained in the *Farmer's and Fisherman's Guide*, 1968 edition, issued by the Taxation Division of the Department of National Revenue, Ottawa, has been used as a reference in preparing this outline.

a permanent herd of cattle, horses, sheep or swine may apply for approval of a basic herd, to be established as at January 1, 1947, or the commencement of operations, whichever is later. The basic herd is determined as the number of animals or their replacements (expressed in terms of mature animals) which have been acquired without reducing income which is subject to tax. Where the number of animals on hand at the end of any fiscal period is less than the number of the established basic herd, the reduction in the basic herd is a capital recovery. To this extent the proceeds are not subject to income tax and the established basic herd is reduced accordingly.

When, through disaster, a farmer suffers damage to depreciable property which is insured, he may charge as an expense the amount spent towards repairing this damage within a reasonable time after the damage, but he must include as income the proceeds of the insurance received. (s.6)

Special provision is made to exempt the following from paying income tax: agricultural organizations, credit unions, co-operative societies and farmers' and fishermen's insurance companies. (s.62)

Special rules apply to the taxation of co-operatives. Any co-operatives organized after January 1, 1947 are exempt from income tax for the first three years of their operation. To qualify for this exemption a co-operative must meet the following conditions: (s.73)

- (a) be incorporated under provincial legislation respecting the establishment of co-operative corporations "for the purpose of marketing (including processing incident to or connected therewith) natural products belonging to or acquired from its members or customers, of purchasing supplies, equipment or household necessities for or to be sold to its members or customers or of performing services for its members or customers";
- (b) its incorporating statute, charter, articles of association or by-laws or its contracts with its members and customers, hold forth the prospect that payments will be made to them in proportion to patronage;
- (c) none of its members has more than one vote in the conduct of the affairs of the co-operatives;
- (d) at least 90 per cent of its members are individuals and at least 90 per cent of its shares, if any, are held by individuals;
- (e) the rate of interest on capital subscribed by its members or the rate of its dividends on its shares does not exceed 5 per cent per annum;
- (f) no more than 20 per cent of the business is done with non-members; and
- (g) the business carried on by the co-operatives was not a continuation of a previous business in which a substantial number of its members had a substantial interest, either as shareholders of a co-operative carrying on the previous business or otherwise.



Where a co-operative has received from the government of a province a grant that was not fixed by reference to natural products marketed, supplies, equipment or household necessities purchased or sold, or services performed by it, no amount shall be included in respect of the grant in computing its income for any year. (s.73)

If co-operatives cannot qualify for total exemption (see provisions listed above), section 75 of the Act grants them the privilege of deducting from their income for tax purposes the aggregate of the payments made to customers pursuant to allocations in proportion to patronage. "Allocation in proportion to patronage" for a taxation year means an amount credited by a co-operative to a customer of that year, computed at a rate in relation to the quantity, quality or value of the goods or products acquired, marketed, handled, dealt in or sold, or services rendered by the corporation from, on behalf of or to the customer, with appropriate differences in the rate for different classes, grades or qualities thereof.

There are two basic limitations in the amount that may be deducted from income: (a) Patronage dividends to members cannot be deducted in excess of an amount equivalent to the proportion of the income attributable to business done with members; (b) any co-operative claiming a deduction for patronage dividends may not thereby reduce its taxable income below 3 per cent of the capital employed in the business at the commencement of the year, less any interest paid on borrowed money, other than money borrowed from chartered banks and credit unions and deductible in computing income for the year. "Capital employed" is as defined in the Excess Profits Tax Act, 1940, except that for the purposes of this Act it shall also include all money borrowed but not money borrowed from chartered banks and credit unions. (s.75)

To claim a deduction from income tax for patronage dividends the co-operative must fulfill certain conditions:

- (a) it must have held forth the prospect that patronage dividends would be paid, and this prospect must have been announced prior to the taxation year by an advertisement in a newspaper, stated in contracts with its customers, or set forth in the charter, articles of association or by-laws, or in the act under which it was incorporated or registered;
- (b) patronage dividends must have been allocated in the taxation year or within 12 months thereafter, to be deductible;
- (c) they must be allocated at the same rate (in relation to quantity, quality or value) for all members, and at the same rate for all non-members, but these two rates may be different.

Payment of patronage dividends may be made in several forms:

- (a) in cash;
- (b) by the issue of certificates of indebtedness or shares of capital stock, provided an equal amount of money has been disbursed in redeeming certificates or shares previously issued;

- (c) by application against a member's debt - on account of payment for shares issued to him or in fulfillment of his obligation to make a loan to the co-operative - if the co-operative has statutory authority to do so and its by-laws so provide; or if the member so requests.

When the customer of the co-operative receives a certificate of indebtedness or a share in respect of an allocation in proportion to patronage, he must include this amount in his income for the taxation year in which he received it and not for the year in which the indebtedness was later discharged or the share redeemed.

Penalties are provided for violating the provisions of the Act or regulations thereunder.

#### 4. Canada Pension Plan

*CANADA PENSION PLAN ACT, S.C. 1964-65, c. 51.*

*"An Act to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors."*

The Canada Pension Plan, as it applies to farmers, ranchers and fishermen can be divided into two main areas. The first area has to do with the contributions which they make as employers and the second area has to do with the contributions to be made on their own behalf.

1. Every employee in pensionable employment (except in Quebec) who is over the age of 18 and under 70 is required to make a contribution to the plan which will be deducted from his salary or wages. The employer's contribution is based on contributory salary and wages. Generally this amount is his wages including the value of board and lodging supplied. The contribution is to be deducted from his wages and must be matched by the employer and the full amount paid to the Receiver General of Canada on or before the 15th of the month following the month of deduction.

In addition to the regular employees, if a part-time employee works for 25 or more working days in the year and the payment is \$250 or more in cash, employers are required to make deductions from his wages. These deductions must also be matched by the employer.

2. Every individual whose chief source of income is farming or fishing is required to pay on or before December 31 of each year an instalment on his contribution to the Canada Pension Plan equal to two-thirds of the amount payable on the estimated self-employed earnings for the year if the amount payable is more than \$40.

The required contribution is 3.6 per cent of earnings to a maximum of \$4,500.

The Retirement Pension under the Canada Pension Plan does not begin automatically. Application has to be made for it and payment can be made only after the application has been approved. Retirement Pension became payable for the first time in January 1967.

#### IV. PRODUCTION

##### 1. General

CRIMINAL CODE, S.C. 1953-54, c. 51.

*"An Act respecting the criminal law."*

The sections of the Criminal Code which apply particularly to agriculture are:

- Section 284 - Sets out penalties for persons who fraudulently take, receive, hold, purchase or sell cattle that are found astray;
- Section 374 - States that persons who willfully sets fire to a building, a stock of vegetable produce or of mineral or vegetable fuel, a crop which is standing or cut down, or any wood, forest or natural growth, may be penalized for such an offence;
- Sections 383-4 - Provide penalties for persons who illegally interfere with the boundary markings of a piece of land;
- Sections 385-7 - Set out penalties for persons who attempt to kill, maim, wound, poison, injure or neglect any livestock or other animal or bird;
- Section 389 - States the requirements for feeding and resting livestock in transit and the care and sanitary precautions to be taken by the railway or steamship company.

FERTILIZERS ACT, S.C. 1957, c. 27.

*"An Act for the regulation and control of agricultural fertilizers."*

Fertilizers and supplements may only be sold in or imported to Canada if they have been registered, packaged and labelled as prescribed and if they conform to the standards as set down in the Act. The Governor in Council may make regulations respecting the registration, prescribing the standards and providing for the packaging and labelling of fertilizer and supplements. Provision is also made for the registration under this Act, of fertilizer containing a pest control product.

Inspectors and analysts may be appointed to aid in the administration and enforcement of the Act. Inspectors are empowered to examine and sample material regulated by the Act and to seize material where the provisions are being violated. No person shall sell any fertilizer or supplement which, when used according to directions, contains ingredients harmful to plant growth.

Further provisions deal with offences and the validity of the results of tests conducted by analysts appointed under the Act.

*INSPECTION AND SALES ACT, R.S.C. 1952, c. 155.*

*"An Act to regulate the inspection and sale of binder twine and to establish the weight of bushel for certain commodities commonly sold by the bushel."*

Part I of this Act requires that every ball of binder twine sold or offered for sale in Canada be properly and correctly labelled with the name of the dealer and the number of feet of twine per pound in the ball. Binder twine manufactured for export only need not be so labelled. Regulations are also set out regarding the labelling of binder twine damaged by fire or water and offered for sale in Canada. Provision is made for inspection of this item in any premises, and the imposition of penalties for first and subsequent offences.

Part II of this Act provides that the Minister of Agriculture may make regulation:

- (a) prescribing standards of grade, class or quality for flax fibre and the names or marks that may be used to designate such grade, class or quality;
- (b) providing for inspection, grading and labelling of flax fibre, the form, issue and use of inspection certificates and prescribing inspection fees; and
- (c) generally for carrying out the purposes or provisions of this Part.

Flax fibre may not be exported from Canada or from one province to another in Canada unless it is inspected, graded, marked or designated and labelled in accordance with the regulations made under this Part.

Part III sets out the legal weights per bushel of various seeds, grains, field crops and malt, and of bituminous coal and of lime in contracts for the sale and delivery of these articles, and the penalties for violation of these provisions.

*PEST CONTROL PRODUCTS ACT*

*"An Act to regulate products used for the control of pests and the organic functions of plants and animals."*

For the purpose of this Act, "control product" means any product, device, organism, substance or thing that is manufactured, represented, sold or used as a means of directly or indirectly controlling, preventing, destroying, mitigating, attracting or repelling any pest and includes any compound or substance that enhances or modifies the physical or chemical characteristics of a control product to which it is added and any active ingredient used for the manufacture of a control product. (s.2)

No person shall manufacture, store, display, distribute or use any control product under unsafe conditions. No person shall package, label or advertise any control product in a manner that is false, misleading, or deceptive or is likely to create an erroneous impression regarding its character, value, quantity, composition, merit or safety. (s.3)



No person shall import into or sell in Canada any control product unless such control product has been registered as prescribed, conforms to prescribed standards and is packaged and labelled as prescribed. No person shall export out of Canada, or send or convey from one province to another any prescribed control product unless such product was manufactured in an establishment that complied with the prescribed conditions and was registered and operated as prescribed. (s.4)

The Governor in Council may make regulations prescribing for the purpose of this Act nomenclature of pests, control products and classes and kinds of pest and control products; prescribing the form in which applications for registration shall be made and the information to be furnished. (s.5)

Provision is made for the appointment of such inspectors and analysts as are required for the purpose of this Act and for enforcement of penalties for violations of this Act.

#### PESTICIDE RESIDUE COMPENSATION ACT

*"An Act to provide compensation to farmers whose agricultural products are contaminated by pesticide residue and to provide for compensation awards."*

In this Act "pesticide residue" means the residue of any pesticide or degradation-product thereof in or upon an agricultural product. (s.2)

Subject to this Act, where an inspection of an agricultural product of any farmer made under the Food and Drugs Act discloses the presence, in or upon that product, of pesticide residue, so that the sale of that product would be contrary to the Food and Drugs Act, the Minister may pay to the farmer, on such terms and conditions as may be prescribed by regulations, compensation for any loss occasioned to the farmer by reason of such pesticide residue. No compensation shall be paid to a farmer unless the Minister receives from the Minister of National Health and Welfare written confirmation that an inspection has disclosed the presence of pesticide residue and is satisfied that the pesticide residue is not present because of any fault of the farmer, or his employee or agent or of a previous owner of the land. (s.3)

The Governor in Council may make regulations for carrying out the purposes and provisions of this Act. (s.4)

The Minister may designate any qualified person as inspector for the purposes of this Act who may at any reasonable time enter any place or premises to carry out any investigation that may be required by the Minister and may open any container or package or examine anything that the inspector has reason to believe will assist him in his investigation and take samples. (ss.6-7)

Penalties are provided for those who violate the provisions of this Act. (s.9)

The Governor in Council may appoint an Assessor and such number of Deputy Assessors as he considers necessary to hear and determine appeals for compensation awards made under this Act. (s.11)



An appeal may be brought to the Assessor by a farmer where compensation awarded to the farmer is less than the maximum compensation prescribed under this Act. Every appeal to the Assessor shall be brought within three months from the date the farmer receives notification of the decision or the compensation. (s. 12)

The decision of the Assessor on any appeal is final and conclusive and not subject to appeal or review by any court. (s.13)

## 2. Crops

*HAY AND STRAW INSPECTION ACT, R.S.C. 1952, c.141.*

*"An Act respecting the inspection and grading of hay and straw."*

This Act empowers the Minister of Agriculture to appoint inspectors, to establish regulations prescribing standards for, and to certify by inspection certificate, the class, quality and/or condition of hay and straw.

*PLANT QUARANTINE ACT*

*"An Act to prevent the introduction or spreading of pests injurious to plants."*

In this Act "pest" means any insect, plant or animal organism, virus, bacterium, disease or disease-inciting agent causing or capable of causing injury or damage to any vegetable, any part, product or by-product of a vegetable or any plant material; and "plant or other matter" means any plant, plant material, material, equipment, carrier, container, article or other thing that may contain or carry any pest. (s.2)

Except as provided by this Act and the regulations no person shall knowingly introduce or admit into Canada, spread within Canada or convey within or from Canada any pest or any plant or other matter that is infested or likely to be infested with a pest or that constitutes a biological obstacle to the control of any pests. (s.3)

The Governor in Council may make regulations for preventing or controlling the introduction or admission into Canada or the spreading within Canada or from Canada of any pest or plant or other matter. (s.4)

The Act provides for the appointment of inspectors for carrying out the purposes and provisions of this Act. Penalties are provided for those who violate the provisions of this Act. (ss.5-10)

Where the compensation awarded to a person for any plant or other matter destroyed or prohibited or restricted from sale, or for any restriction of the use of property or premises is less than the maximum compensation prescribed under this Act or where no compensation is awarded to such a person, an appeal may be brought by that person to the Assessor appointed under the Pesticide Residue Compensation Act on the ground that the amount of compensation awarded or the failure to award compensation was unreasonable. Every appeal to the Assessor shall be brought within three months from the date the person receives notification of the decision or the compensation. (s.12)

### 3. Livestock

*AN ACT FOR THE CONTROL AND EXTIRPATION OF FOOT AND MOUTH DISEASE,  
S.C. 1952, c.1.*

This Act empowers the Minister of Agriculture to cause any animal to be slaughtered to prevent the spreading of or to extirpate the 1952 outbreak of foot and mouth disease in Canada.

The Minister may order that, in addition to any compensation paid under the Animal Contagious Diseases Act, further compensation shall be paid to the owners of animals slaughtered under this Act so that the total compensation will be fair and reasonable; such compensation to be determined in the manner prescribed by regulations to be made by the Governor in Council and after a report by the board of valuers to be appointed by the Governor in Council. Compensation, determined in the same manner, may also be paid in respect of any buildings, fodder, grain or other things ordered to be destroyed.

*ANIMAL CONTAGIOUS DISEASES ACT, R.S.C. 1952, c. 9.*

*"An Act respecting infectious or contagious diseases affecting animals."*

Under the terms of this Act, the Governor in Council may make any regulations he may deem necessary for the purpose of "preventing the spreading of and for the extirpation of contagious or infectious diseases among animals".

The Act provides that every owner or breeder of animals, every one bringing animals into Canada, and every veterinary surgeon shall, on perceiving the presence of an infectious or contagious disease in an animal under his care, give immediate notice to the Minister of Agriculture and to the nearest veterinary inspector of the Department of Agriculture. Provision is made for the quarantine, segregation or slaughter of animals affected by infectious or contagious disease, for the destruction of other infected property, and for the payment of compensation to the owners for animals or property destroyed under the provisions of this Act.

The compensation to be paid for an animal slaughtered under the provision of this Act shall be:

- (a) in the case of horses, such maximum amounts as may be prescribed by the Governor in Council for purebred and for grade animals; and
- (b) in the case of cattle slaughtered pursuant to any area or herd disease eradication program instituted pursuant to the regulation such maximum amounts as may be prescribed by the Governor in Council for purebred and grade animals, and if the sale of the carcass is unlawful an additional amount for purebred and grade animals equal to the value the carcass would have if the sale were lawful, such value to be determined by the Minister or by some person appointed by him for that purpose. (s.12)

An appeal may be brought to the Assessor appointed under the Pesticide Residue Compensation Act by the owner of an animal slaughtered under the provisions of this Act where no maximum amount of compensation has been prescribed or the amount of compensation awarded was unreasonable or no compensation was awarded. Every appeal must be brought within three months from the date the owner receives notification of the decision or the compensation. (s.14a)

The Minister may prohibit the import of animals or parts thereof, or other articles to prevent the spread of a contagious disease among Canadian animals. Regulations are set out regarding the cleansing of vessels, vehicles and premises used for the carrying or accommodation of animals and penalties for violation of the act are stated.

*FEEDS ACT, S.C. 1960, c. 14.*

*"An Act to control and regulate the sale of feeds."*

"Feed" is defined as any substance or mixture of substances containing proteins, carbohydrates, fats, minerals, condiments or vitamins manufactured and sold for livestock consumption. No person may sell or import into Canada any feed unless it has been registered, packaged and labelled as prescribed and conforms to prescribed standards. Inspectors and analysts enforcing this Act may enter any place and sample any feed to which the Act applies and examine books or other documents relating to feed. The inspectors may seize and detain any articles by means of which any violation was committed.

Provision is made for penalties when the Act has been violated. The Governor in Council may make regulations covering registration of feeds, sampling, packaging, labelling and any other particulars necessary for carrying out the Act.

*LIVESTOCK FEED ASSISTANCE ACT, S.C. 1966-67, c. 52.*

*"An Act to provide assistance to livestock feeders in Eastern Canada and British Columbia."*

The Act established the Canadian Livestock Feed Board as a corporation consisting of not less than three nor more than five members appointed by the Governor in Council. (s.3)

The objects of the Board are to ensure:

- (1) the availability of feed grain to meet the needs of livestock feeders,
- (2) the availability of adequate storage space in Eastern Canada for feed grain to meet the needs of livestock feeders,
- (3) reasonable stability in the price of feed grain in Eastern Canada and in British Columbia and,



- (4) fair equalization of feed grain prices in Eastern Canada and British Columbia. (s.5)

The Board may make payments related to the cost of feed grain in Eastern Canada and payments related to the cost of feed grain transportation to or for the benefit of livestock feeders in accordance with the regulations. The Board is authorized to conduct negotiations with any agency or person in feed grain storage or handling for the purpose of reducing or stabilizing the cost of storage and handling. The Board may, by order, require any person engaged in the business of storing, handling and shipping feed grain in Eastern Canada and British Columbia, or any livestock feeder, to furnish in writing information relating to feed grain consumption, storage, handling, shipping or pricing in Eastern Canada and British Columbia. (s.6)

The Board may, subject to regulations, buy or enter into contracts or agreements for the purchase of feed grain in Eastern Canada, British Columbia and the designated areas (Manitoba, Saskatchewan, Alberta and certain areas of British Columbia). It may obtain license to import feed grain and buy or enter into contract or agreement for the purchase of feed grain from outside Canada. (s.8)

The Governor in Council may authorize the Minister of Finance to make advances to the Board on such terms and conditions as may be agreed upon but the total amount outstanding at any time shall not exceed \$50 million. (s.17)

The Governor in Council may make regulations for carrying out the provisions of the Act. (s.19)

Penalties are provided for the violation of the Act.

*LIVESTOCK PEDIGREE ACT, R.S.C. 1952, c. 168.*

*"An Act respecting the incorporation of pure-bred live stock record associations."*

This Act provides for the incorporation of associations for the purpose of keeping a record of purebred domestic livestock of distinct breed, or several records each of a distinct breed of the same species of animals. Only one association for each distinct breed or for a number of breeds of the same species may be incorporated under this Act. Applications for registration are checked and if in conformity with the Act and the by-laws of the Association concerned, are sealed and approved for the Minister.

Associations incorporated in accordance with the provisions of this Act may affiliate for keeping livestock records, issuing certificates of registration and of transfer, and performing such other services on behalf of the affiliated associations as are authorized by the articles of affiliation. Such an affiliation is to be known as the Canadian National Live Stock Records. The terms of its affiliation are: (a) to provide for a governing body known as the Canadian National Live Stock Board which shall be representative of the affiliated associations; (b) to provide for an administrative committee known as the Canadian National Live Stock Record Committee; (c) to provide for a Director of Canadian National Live Stock Records; (d) to provide for proper

representation from the various affiliated breed associations to the Board; and (e) to prescribe the power and authority of the Canadian National Live Stock Records on behalf of the affiliated associations.

The Minister of Agriculture is responsible for administration of the Live Stock Pedigree Act and is represented on the Canadian National Live Stock Record Board and Committee by the Chief Registration Officer. It is the latter's duty to maintain contact with the breed associations and advise the Minister on proposed amendments or changes of the constitution of the various breed associations and to represent unincorporated associations. No amendment can become effective until approved by at least two-thirds of the associations and by the Department. Investigations of alleged irregularities are carried on and prosecutions, where necessary, are conducted.



## V. MARKETING

### 1. General

*AGRICULTURAL PRODUCTS BOARD ACT, R.S.C. 1952, c. 4.*

*"An Act to provide for the establishment of an agricultural products board."*

In this Act, "agricultural product" means "livestock and livestock products, poultry and poultry products, milk and milk products, vegetables and vegetable products, fruit and fruit products, honey, maple syrup, tobacco, fibre and fodder crops, and any product of agriculture designated by the Governor in Council as an agricultural product for the purposes of this Act."

The Agricultural Products Board as established under the provisions of this Act shall consist of not less than three and not more than seven members appointed by the Governor in Council. The Governor in Council may make regulations for putting into effect the purposes and provisions of this Act.

Subject to the regulations, the Board may, with the authority of the Governor in Council and under the direction of the Minister of Agriculture:

- (a) sell or deliver agricultural products to the government of any country pursuant to any agreement made by the Federal Government with the government of such country, and for those purposes may purchase agricultural products and make such arrangements for the purchase, sale or delivery of agricultural products as it considers necessary or desirable;
- (b) purchase or negotiate contracts for the purchase of agricultural products on behalf of the government of any country;
- (c) buy, sell or import agricultural products;
- (d) by order require any person to give such information respecting agricultural products as may be necessary for the proper administration of this Act; and
- (e) store, transport, or process, or enter into contracts for the storing, transportation or processing of agricultural products.

However, except with the approval of the Governor in Council, the Board shall not sell an agricultural product pursuant to paragraphs (a) or (c) at a price lower than the purchase price thereof plus handling, storage and transportation costs.

The Act further provides that the Board may, when so appointed under the provisions of the Agricultural Stabilization Act, undertake the purchase and disposition of agricultural products for the purposes of that Act.

All money required for the buying, storing, transporting or processing of agricultural products under this Act may be advanced by the government.

Penalties are stated for anyone who gives false information about agricultural products and so prevents proper administration of the Act.

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT, R.S.C. 1952, c. 5.

*"An Act to assist and encourage co-operative marketing of agricultural products."*

For the purposes of this Act "agricultural product" means any kind of grain other than wheat, milk and milk products, vegetables and vegetable products, livestock and livestock products, fruit and fruit products, poultry and poultry products, honey, maple syrup, tobacco and any other product of agriculture designated by the Governor in Council.

Under the terms of this Act the Minister of Agriculture may, with the approval of the Governor in Council, by agreement with a co-operative association of primary producers, processor or selling agency, undertake that if the average wholesale price of an agricultural product of any grade or quality produced during the year and delivered to a co-operative association, processor or selling agency under one only co-operative plan, is less than the initial payment together with the actual processing, carrying and selling costs, which shall not exceed the maximum to be fixed under the agreement in the case of each grade of the agricultural product, there shall be paid to the co-operative association, processor or selling agency the amount, if any, by which the initial payment together with such costs exceeds the average wholesale price aforesaid computed on the amount of the agricultural product of such grade or quality so delivered.

The initial payment must be approved by the Governor in Council and may not exceed 80 per cent of the average price paid to producers according to grade and quality for an agricultural product over a period of three years immediately preceding the year of production.

No payment shall be made to primary producers subsequent to the initial payment unless such subsequent payment is first approved by the Governor in Council.

No agreement may be made under this Act "unless the co-operative plan applies to such a proportion of the primary producers within a certain geographical area or to such a proportion of an agricultural product produced in such area that the Minister is of the opinion that the marketing of the aforesaid agricultural products under the co-operative plan will benefit the primary producers."

*AGRICULTURAL PRODUCTS MARKETING ACT, R.S.C. 1952, c. 6.*

*"An Act to provide for the marketing of agricultural products in inter-provincial and export trade."* 1/

The Governor in Council may by order grant authority to any board or agency authorized under the law of any province to exercise powers for regulation in relation to the marketing of any agricultural product locally within the province, to regulate the marketing of such agricultural products in interprovincial and export trade and for such purposes to exercise all or any powers like the powers exercised by such board or agency in relation to the marketing of such agricultural products locally within the province.

The Governor in Council may by order grant to any board or agency authority

- (a) to fix, impose and collect levies or charges from persons engaged in the production or marketing of the whole or any part of any agricultural product;
- (b) to use such levies or charges for the purposes of such board or agency including the creation of reserves and the payment of expenses and losses resulting from the sale or disposal of such agricultural products;
- (c) the Governor in Council may by order revoke any authority granted under this section. (s.2)

Penalties are prescribed for those who violate the provisions of this Act. (s.4)

*CANADA AGRICULTURAL PRODUCTS STANDARDS ACT, S.C. 1955, c. 27.*

*"An Act to establish national standards for agricultural products and to regulate international and interprovincial trade in agricultural products."*

The purpose of the legislation is to provide, in one statute, for standards and grading for all agricultural products now covered by the Canada Dairy Products Act, the Fruit, Vegetables and Honey Act, the Live-stock and Livestock Products Act, the Maple Products Industry Act and parts of the Meat and Canned Foods Act. The intention is to make regulations covering specific products, revoking the regulations under the present acts. When all existing regulations have been replaced the present acts can be submitted to parliament for amendment or repeal.

"Agricultural product" in the Act is defined as livestock (including fur-bearing animals raised in captivity), eggs, poultry, milk, vegetables, fruit, honey and maple syrup, and products thereof, and leaf tobacco. Grades for agricultural products may be established by regulation, with appropriate grade names. Grades, packing and marking requirements are to apply on commodities moving in interprovincial and export trade. Regulations may be made prohibiting exports, imports and movements from one province to another unless agricultural products comply with prescribed requirements, have been prepared in accordance with prescribed conditions and are packed and marked as prescribed.

1/ The marketing of products by the Canadian Wheat Board is regulated by the Canadian Wheat Board Act (p. 44).



There is provision for the licensing of dealers and the appointment of inspectors, graders and other staff. Penalties are provided for infringement of the Act and regulations.

*COLD STORAGE ACT, R.S.C. 1952, c. 52.*

*"An Act to encourage the establishment of and to regulate Cold Storage Warehouses for the preservation of perishable food products."*

Part I of this Act provides that the Governor in Council may enter into contracts with any persons for the construction, equipment and maintenance, in Canada, of public cold storage warehouses equipped with mechanical refrigeration and suitable for the preservation of any food product. The location, plans and specifications of every such warehouse, its equipment, and the amount to be expended thereon, are subject to the approval of the Governor in Council.

The Governor in Council may grant towards the construction and equipment of a warehouse in respect of which a contract has been entered into, a subsidy not exceeding  $33 \frac{1}{3}$  per cent of the amount expended or approved of in such construction and equipment, payable upon the completion of the warehouse to the satisfaction of the Minister of Agriculture and the provision therein of cold storage that is suitable for the preservation of perishable foods.

The Act further provides that the Minister may cause to be maintained an inspection and supervision of the sanitary conditions, maintenance and operation of such warehouses, and may regulate and control the temperatures to be maintained therein in accordance with the regulations which may be made under this Act. The rates and tolls to be charged for storage in such warehouses are subject to the approval of the Governor in Council. He may make regulations to enforce this Act and impose penalties to a maximum of \$50 on offenders.

*FOOD AND DRUGS ACT, S.C. 1952-53, c. 38.*

This Act makes specific provision for the keeping of records by manufacturers of foods, drugs or cosmetics, and prohibits the sale of foods, drugs and cosmetics that were packaged and stored under unsanitary conditions. There is no forfeiture of goods without the consent of the owner unless a judicial officer determines whether or not the goods are in conformity with the Act and whether the forfeiture should be undertaken.

Under the Act no person may sell food that is unfit for human consumption; that contains poisonous, harmful, filthy, putrid or diseased vegetable or animal matter; that was manufactured or packaged under unsanitary conditions, or is below prescribed standards; that is labelled, packaged, treated, processed, advertised or sold in a deceptive manner regarding its character, value, quantity, composition, merit or safety; or that is advertised as a treatment, preventative or cure for any of the 36 diseases, disorders or abnormal physical states mentioned in Schedule A (cancer, diabetes, epilepsy, venereal disease, tuberculosis, etc.).

The Act provides for inspection of articles and any necessary procedures to be followed as a result of the inspection.

The Governor in Council may make regulations concerning: (a) the adulteration of any food, foodstuff or drug; (b) any or all stages of preparation, manufacture, packaging, labelling, importation and sale of foods, drugs, cosmetics and devices, to prevent misrepresentation or to protect the health of the purchaser; (c) standards of composition, strength, potency, purity or quality of the items listed in (b); and (d) the manner in which the manufacturers, inspectors, and analysts must comply with the provisions of the Act.

These provisions do not apply to articles which are exported, are so marked, and are certified not to contravene any law of the country of destination.

Penalties are set out for those who violate the provisions of the Act or regulations thereunder.

## 2. Crops

CANADA GRAIN ACT, R.S.C. 1952, c. 25.

*"An Act respecting grain."*

This Act provides for the continued operation of the Board of Grain Commissioners for Canada and for the appointment of personnel needed to carry out the duties of the Board.

The Board has jurisdiction to inquire into the grading, weighing, deductions for dockage or shrinkage, delivery shortages, or deterioration in storage, of grain and into any unfair discriminatory operation of an elevator, or lack of compliance by anyone with any provision of the Act. (s.9)

The Board is empowered to make regulations or orders, some of which concern: the establishment of inspection districts; the grading of specified samples of grain; the equitable distribution of railway cars among shipping points and at terminal elevators; the issuance of licenses; the delivery of grain into or out of storage; the supervision of, and maximum charges for storage, treatment, handling of and insurance on grain; construction standards for an operation of all types of grain elevators and limitations on storage for imported grain to be shipped out of Canada. (s.15)

The Act provides for the establishment of the several "statutory grades" of eastern and western grain (wheat, oats, barley, rye, mixed grain, flax-seed, buckwheat, corn, sunflower seed, soybeans, beans, peas and rapeseed) mentioned in the Schedules to the Act, for additional grades known as "commercial grades" and "off grades" and for unspecified grades for screenings. (s.24)



The Act further provides for the formation in July of each year of a Committee on Western Grain Standards and a Committee on Eastern Grain Standards, which shall respectively have jurisdiction to select and settle the standard samples (for domestic use and for export) to be used in the crop year commencing on the following August 1 in connection with the grading of western and other grain, and the naming and defining of these grades. (s.25)

Provision is made for the inspection and weighing of grain, the issuance of certificates therefor and the establishment of grain appeal tribunals at various places to handle any complaints about the grading of such grain. Stored grain may be used as security for advances. The Board may issue, and a person engaged in any of these businesses must obtain the appropriate class of license: elevator, commission merchant's, track buyer's, or grain dealer's license. (s.32)

Regulations are set out regarding the loading and carriage of grain by railways and steamships, the use of car order books and the storage and handling of grain by elevators. (s.53)

Penalties are established for those who violate any of the provisions of the Act or its regulations.

*CANADIAN WHEAT BOARD ACT, R.S.C. 1952, c. 44.*

*"An Act to provide for the constitution and powers of the Canadian Wheat Board."*

For the purposes of this Act "grain" includes wheat, oats, barley, rye, rapeseed and flaxseed, and "designated area" means that area comprised by Manitoba, Saskatchewan and Alberta and those parts of British Columbia known as the Peace River District and the Creston-Wynndel Areas, and such other parts of British Columbia and such parts of Ontario lying in the Western Division as the Canadian Wheat Board may designate.

Part I of the Act provides for the appointment of the Canadian Wheat Board and an Advisory Committee, and authorizes the Board to market in an orderly manner, in interprovincial and export trade, grain grown in Canada. The Board has authority to acquire, store, transfer, transport or dispose of grain, to enter into contracts or agreements, and to establish, utilize and employ whatever marketing agencies or facilities are necessary to "sell and dispose of grain acquired by it pursuant to its operations under this Act for such prices as it considers reasonable with the object of promoting the sale of grain produced in Canada in world markets".

Part II entitled "Control of Elevators and Railway" sets out the conditions for delivery of grain to an elevator or to a railway car and for the issuance and use of permit books. Some of the administrative powers of the Board under this Part include authority to: prescribe railway delivery points; fix, from time to time, the quotas of each kind of grain which producers may deliver within a period; direct or prohibit deliveries of grain; provide for the allocation of railway cars available for the shipment of grain at any delivery point (other than cars placed pursuant to a car order book);

make inquiries and investigations to ascertain the availability of delivery and transportation facilities and supplies of grain, and concerning all matters connected with the interprovincial or export marketing of grain.

The Governor in Council may by regulation extend the provisions of this Part to any area in Canada outside the designated area specified in the regulation.

Part III of the Act is entitled "Interprovincial and Export Marketing of Wheat by (the) Board". Subject to section 31, in this part, "pool period" means a crop year.

The Board is authorized to undertake the marketing of wheat produced in the designated area, in interprovincial and export trade, and for such purposes to:

- (a) buy all wheat produced in the designated area, offered by a producer for sale and delivery to the Board at an elevator or in a railway car in accordance with the provisions of this Act and the regulations and orders of the Board;
- (b) pay to any producer selling and delivering wheat produced in the designated area to the Board a sum certain per bushel, basis in store Fort William/Port Arthur or Vancouver, to be fixed from time to time by regulation of the Governor in Council in respect of wheat of the grade No. 1 Manitoba Northern; and by the Board in respect of each other grade thereof, in proper price relationship with the said sums for the other grades;
- (c) issue to a producer, who sells and delivers wheat, produced in the designated area to the Board, a certificate indicating the number of bushels purchased and delivered and the grade thereof, which certificates entitle the producer named therein to share in the equitable distribution of any surplus arising from the operations of the Board with regard to the wheat produced in the designated area sold and delivered to the Board during the same pool period. (s.25)

The Board shall distribute the balances remaining in its pool accounts in respect of wheat purchased by it during any pool period under the authority of this Part after deducting all moneys disbursed by the Board as payment for the said grains and by way of expenses incurred in connection with the operations of the Board attributable to these grains, among holders of certificates issued by the Board pursuant to this Part during the pool period, by paying upon surrender to it of each such certificate, to the person named therein, the appropriate sum determined by the Board as provided in this Act for each bushel of wheat, oats and barley referred to therein according to grade. (s.26, 1952).

The Governor in Council may authorize the Board to transfer to a current pool all wheat delivered during, and remaining unsold at the end of the preceding pool period, and to close out crop accounts which have been inactive and unclaimed for more than six years. (s.29)

Under the Act the Governor in Council may apply the provisions of Part III to wheat, oats and barley produced in any area in Canada outside the designated area. (s.31)

Part IV of the Act is entitled "Regulation of Interprovincial and Export Trade in Wheat". Except as permitted under the regulations, no person other than the Board shall:

- (a) export from or import into Canada, wheat or wheat products owned by a person other than the Board;
- (b) transport or cause to be transported from one province to another province, wheat or wheat products owned by a person other than the Board;
- (c) sell or agree to sell wheat or wheat products situated in one province for delivery in another province or outside of Canada; or
- (d) buy or agree to buy wheat or wheat products situated in one province for delivery in another province or for delivery outside of Canada. (s.32)

Part I is entitled "Oats and Barley". The Governor in Council may by regulation extend the application of Part III or of Part IV or of both Parts III and IV to oats or to barley or to both oats and barley. The words "oats" and "barley" as the case may be, shall be substituted for wheat. The sum certain per bushel to be fixed by the Governor in Council shall be fixed in the case of oats in respect of No. 2 Canada Western and in the case of barley in respect of No. 3 Western Six Row, and in both cases, basis in store Fort William or Port Arthur. (s.35)

*FRUIT, VEGETABLES AND HONEY ACT, R.S.C. 1952, c. 126.*

*"An Act respecting fruit, vegetables and honey."*

For the purpose of this Act "produce" means fruit or vegetables as defined in this Act, and honey.

This Act empowers the Minister of Agriculture to make regulations:

- (a) classifying and establishing grades for each kind of produce;
- (b) with respect to the inspection, grading, packages and packing, marking, shipment, advertisement and sale of produce produced within or without Canada;

- (c) prescribing fees for inspection, registration and licensing;
- (d) prescribing when and where any regulation shall be in force;
- (e) with respect to the registration of packers and of persons assembling honey;
- (f) with respect to the licensing of brokers, commission agents and dealers;
- (g) with respect to the cleanliness and sanitation of all premises in which produce is graded or packed or in which honey is assembled, graded or packed.

The Act provides that all produce intended for canning in any establishment in which produce is canned or preserved for food for export or inter-provincial trade, must be presented for inspection and grading as provided by the regulations.

Every commission agent, dealer and broker who deals in fruits and vegetables shipped from a point outside the province in which he carries on business **must** be licensed by the Minister, and all persons who assemble or ship honey for export or interprovincial trade must be registered in accordance with the regulations.

No person may ship, transport, pack, advertise, display, offer for sale or sell any produce that has not been graded, inspected, and if in packages, packed and marked, in accordance with the provisions of this Act and regulations, or any produce below the minimum grade for that produce except to a manufacturing or processing plant.

Provision is made for the appointment and powers of inspectors needed to enforce the Act, and for penalties against anyone who contravenes any of the provisions of the Act.

*GRAIN FUTURES ACT, R.S.C. 1952, c. 140.*

*"An Act to provide for the supervision and regulation of trading in grain futures."*

In this Act "grain" includes wheat, oats, barley, rye, flaxseed and corn but wheat is now handled by the Canadian Wheat Board. The Board is also responsible for the marketing of oats and barley but a futures market continues to operate for both these crops. "Grain futures" means contracts negotiated by members of the Winnipeg Grain Exchange under the conditions and terms set forth by its by-laws or **rules**, as principals or agents, for the purchase or sale of grain to be accepted or delivered during future months in respect of which facilities for trading in grain futures have been provided by the Winnipeg Grain Exchange, but does not include contracts for the purchase or sale of **cash** grain.

The Governor in Council may **extend** the Act to any grain exchange in Canada trading in grain by reference to grades established under the Canada Grain Act when the principal part of such grain is shipped out of the province of production or is exported from Canada.



Under this Act, the Board of Grain Commissioners for Canada is empowered to make regulations concerning registration of the Winnipeg Grain Exchange and the Produce Exchange Clearing Association Limited with the Board; the recording, and the inspection of the books, records and operation of trading transactions, and the publication of information and statistics concerning the marketing of grain.

Whenever the Board is of the opinion that transactions in grain futures are causing or threatening to cause sudden or undue fluctuations in the price of any kind of grain, the Board may, by order:

- (a) fix the minimum margin which shall be deposited in connection with trading in grain futures;
- (b) fix the maximum amount of any kind of grain that any person may in any period of time be committed by means of grain futures to accept or deliver, unless such contracts are offset in quantity by the purchase or sale of cash grain or ownership of grain or grain products;
- (c) suspend from trading privileges any member of the Exchange if in the opinion of the Board such member has been guilty of a breach of this Act or any regulations made thereunder.

The Board is also empowered to revoke or vary any rule or by-law of the Exchange which in its opinion has brought about or is threatening to bring about a condition which is prejudicial to the public interest arising from trading in grain futures. The Board may also hear and determine Grain Exchange Committee appeals arising out of the alleged failure by any person to make delivery of grain in accordance with the terms of a grain futures contract.

Penalties are provided for violating the provisions of the Act.

*SEEDS ACT, S.C. 1959, c. 35.*

*"An Act respecting the testing, inspection and sale of seeds."*

For the purpose of the Act "seed" means the seed of any cereal, forage, legume, turf, root, vegetable, tobacco, fibre or oil bearing crop grown, sold or represented for sale for the purposes of propagation. (s.2)

Except as provided by the regulations, no person shall:

- (a) sell, import into Canada or export out of Canada any seed unless the seed conforms to the prescribed standard and is marked and packed and package labelled as prescribed;



- (b) sell or advertise for sale in Canada or import into Canada seed of a variety **that** is not prescribed by the Minister for sale or importation into Canada. (s.3)

The Governor in Council may make regulations prescribing:

- (a) the establishment of grains using the standards of the Canadian Seed Growers' Association;
- (b) the terms and conditions under which and the manner in which seed crops may be inspected or seeds may be graded or tested;
- (c) the minimum standards of purity, germination, quality and disease for seeds;
- (d) the requirement of the packing and marketing of seeds and the **marking** and labelling of the packages thereof;
- (e) the terms and conditions under which variety names of seeds may be used;
- (f) the requirement for exempting any seed or any person from the operation of all or any of the provisions of this Act;
- (g) the taking of samples and testing of seeds for the purpose of this Act;
- (h) the fees that may be charged for any services provided under this Act. (s.3)

The Minister may by order prescribe the varieties of seeds that may be sold in Canada or imported into Canada and the species of plants, the seeds of which he deems are weed seeds for the purpose of establishing grades under this Act. (s.4)

Inspectors and official analysts may be appointed for the purposes of this Act and penalties are provided for violations of its provisions. (s.5)

*WHEAT CO-OPERATIVE MARKETING ACT, R.S.C. 1952, c. 294.*

*"An Act to encourage the co-operative marketing of wheat."*

This Act applies to spring wheat grown in the provinces of Manitoba, Saskatchewan, Alberta or British Columbia.

The Act provides that the Minister of Agriculture may, with the approval of the Governor in Council, by agreement with any selling agency, "undertake that if the average sale price of all wheat of any grade grown in a crop year delivered to the selling agency under one only co-operative plan is less than a sum certain per bushel to be fixed by the agreement in the case of each grade of wheat, but which sum certain shall, in the case of wheat of

the grade No. 1 Manitoba Northern in store Fort William, be 60 cents, there shall be paid to such selling agency the amount, if any, by which the initial payment together with storage, carrying and transportation charges and operating expenses exceeds the average sale price aforesaid computed on the number of bushels so delivered provided, however, that the initial payment shall not, in the case of wheat of any grade, exceed the sum certain per bushel aforesaid, fixed by the agreement for such grades of wheat, and provided further that the maximum that may be paid hereunder shall not exceed the difference between the average sale price aforesaid and said sum certain per bushel fixed by the agreement for such grade of wheat computed as aforesaid".

No payment other than the initial payment shall be made to primary producers by a selling agency without the approval of the Governor in Council. He may also make regulations concerning the terms and conditions of the agreements.

### 3. Livestock

*CANADA DAIRY PRODUCTS ACT, R.S.C. 1952, c. 22.*

*"An Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products."*

For the purposes of this Act "dairy product" means milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice cream, malted milk, sherbet or any other product manufactured wholly or mainly from milk.

Under Part I of the Act, entitled "Standards", the Governor in Council is empowered to make regulations establishing grades with appropriate grade names for any class of dairy products, and further to:

- (a) prescribe the terms and conditions on which products may be graded under this Part;
- (b) require, as a condition to the grading of a dairy product under this Part, that it has been produced in an establishment that complies with prescribed regulations and is registered in a prescribed manner;
- (c) prescribe fees that may be charged for grading;
- (d) prescribe the specifications of packages, and the manner in which a dairy product must be packed as a condition to the use of the name of a grade so established.

Part II of the Act, entitled "International and Interprovincial Trade", provides that no person shall, without the consent in writing of the Minister of Agriculture, export from Canada or convey from one province to another, a dairy product of a class for which grades have been established under Part I unless the dairy product has been graded under that Part and is packed and marked in accordance with regulations made under that Part.

Provision is made under Part III for the appointment of such inspectors, dairy produce graders and other persons as are necessary for the administration and enforcement of this Act, and for penalties for violations of the Act or regulations.

CANADIAN DAIRY COMMISSION ACT, S.C. 1966-67, c. 34.

*"An Act to provide for the establishment of a Dairy Commission for Canada."*

For the purposes of this Act "dairy product" means milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice cream, malted milk, sherbet or any other product manufactured wholly or mainly from milk; and "milk" means milk from cows and "cream" means cream derived from such milk. (s.2)

There shall be a corporation to be known as the Canadian Dairy Commission consisting of three members appointed by the Governor in Council. (s.3)

The Minister shall appoint a Consultative Committee consisting of a chairman and eight other members. (s.4)

The objects of the Commission are to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labor and investment and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality. (s.8)

Subject to and in accordance with any regulation made under this Act, the Commission may:

- (a) purchase any dairy product and package, process, store, ship, insure, import, export, or sell or otherwise dispose of any dairy product purchased by it;
- (b) make payment for the benefit of producers of milk and cream for the purpose of stabilizing the prices of those products, which payments may be made on the basis of volume, quality or on such other basis as the Commission deems appropriate;
- (c) make investigation into any matter relating to the production, processing or marketing of any dairy product, including the cost of producing, processing or marketing that product;
- (d) undertake and assist the promotion of the use of dairy products, the improvement and variety thereof and the publication of information in relation thereto; and
- (e) do all such acts and things as are necessary or incidental to the exercise of any of its powers or the carrying out of any of its functions under the Act. (s.9)

For the purpose of carrying out any investigation the Commission has all the powers of a Commissioner appointed under Part I of the Inquiries Act. (s.9)

The Governor in Council may make regulations concerning the marketing of any dairy product including regulations:

- (a) providing for the marketing of any dairy product on a quota basis;
- (b) designating the agencies through which any regulated product shall be marketed;
- (c) providing for the issue of licenses to persons engaged in producing or processing;
- (d) prohibiting persons from engaging in the marketing of any dairy product;
- (e) prescribing the books and records to be kept by persons engaged in production or processing;
- (f) authorizing the Commission to fix, impose, and collect levies or charges from persons engaged in the marketing of any dairy product;
- (g) providing for the seizure and disposal of any regulated product marketed in contravention of any regulation made. (s.12)

The Governor in Council may make regulations requiring the registration of producers of milk and cream as a condition of the making of any payment under the provisions of this Act. (s.13)

The Governor in Council may include on the Import Control List established under the Export and Import Permits Act any dairy product the import of which he deems it necessary to control for the purpose of implementing any action taken under this Act to support the price of that dairy product or that has the effect of supporting the price of that dairy product. (s.17)

The Act provides for appointment of inspectors, and penalties for those who violate the provisions of this Act.

*CHEESE AND CHEESE FACTORY IMPROVEMENT ACT, R.S.C. 1952, c. 47.*

*"An Act to encourage the improvement of cheese and cheese factories."*

This Act provides for the payment of a grant, not exceeding 50 per cent of the amount actually expended for new material, new equipment and labor utilized in constructing, reconstructing and equipping cheese factories that are eligible for a subsidy under this Act, provided that the cheese ripening room is efficiently insulated, or efficiently insulated and mechanically refrigerated, and that each of such factories replaces two or more existing



cheese factories which cease operations before payment of the grant.

A grant may also be made of a sum not exceeding 50 per cent of the amount actually expended for efficiently insulating, efficiently insulating and enlarging, if necessary, and efficiently insulating and mechanically refrigerating, cheese ripening rooms of existing factories or new factories and for new equipment and essential parts of cheese pressing equipment required for the purpose of standardization of the diameter of cheese.

The Governor in Council may make regulations governing the construction and equipment of factories, the standardization of cheese presses, the terms and conditions of grants and premiums and penalties for violation of any regulation.

The Act further provides that the Governor in Council may grant to cheese factories, for distribution among producers in accordance with regulations, a sum of one cent per pound on all cheese that scores 93 points on grading, and a sum of two cents per pound on all cheese that scores 94 or more points on grading or scoring by a grader.

*HUMANE SLAUGHTER OF FOOD ANIMALS ACT, S.C. 1959, c. 44.*

This Act provides that regulations may be made by the Governor in Council which prescribe the manner of, and the methods and devices to be used in the slaughter of food animals in federally-inspected plants. Neither meat nor meat products may move interprovincially or into export trade unless the food animal from which they were derived has been slaughtered as required by the regulations. The slaughtering establishment must also meet the requirements of the regulations.

Poultry slaughter does not come under the jurisdiction of this Act as the present methods of slaughter are considered satisfactory and poultry are not considered to be food animals. The requirements of the Act and regulations will not interfere with the ritual slaughter practices of certain religious groups.

*LIVESTOCK AND LIVESTOCK PRODUCTS ACT, R.S.C. 1952, c. 167.*

*"An Act respecting stockyards, livestock and livestock products and poultry production."*

In Part I ("Stockyards") of this Act, "livestock" means horses, cattle, sheep, swine, and fur-bearing animals raised in captivity. It also states that provisions of the Animal Contagious Diseases Act and the Criminal Code will apply in cases where they are relevant.

Under Part I, the Governor in Council may make regulations prescribing the manner in which stockyards and packers' yards shall be constructed, equipped, maintained and operated. Every stockyard and packers' yard is subject to inspection at all times by inspectors appointed and given specific powers under this Act. All rules and regulations to be adopted on a stockyard must be approved by the Minister of Agriculture before they can become effective.



This Part further provides that every proprietor of a stockyard has the authority to prescribe the terms and conditions under which any person, co-operative association, commission merchant or dealer shall be permitted to transact business on his stockyard, and, if a livestock exchange is operating in connection with a stockyard, the terms and conditions shall require that a co-operative association, commission merchant or dealer shall be a member of such livestock exchange. However, any farmer or drover may sell his own livestock at a stockyard on his own account but a proprietor is prohibited from buying or selling livestock on his stockyard.

In Part II ("Livestock and Livestock Products") of this Act "live-stock" means cattle, sheep, swine and fur-bearing animals raised in captivity and live poultry; "livestock products" means meat, raw hides and skins, raw furs, dressed poultry, eggs or wool; and "poultry" means domestic fowl, guinea fowl and pigeons.

Part II provides that the Governor in Council may, with respect to any livestock or livestock product produced within or imported into Canada, make regulations:

- (a) prescribing standard of quality and grades;
- (b) respecting inspection, grading, packing, packaging, labelling, branding and marking;
- (c) respecting the shipping and transporting of any livestock or livestock product;
- (d) prescribing from time to time the quantity, quality, grade or class that may be exported, and the quality, grade or class that may be imported;
- (e) providing for the establishment of a service for the marketing of livestock on a basis of carcass grades;
- (f) requiring any person exporting any livestock or livestock product to obtain a license;
- (g) requiring any person engaged in the grading of any livestock or livestock product to obtain a certificate;
- (h) prescribing the grades of eggs that may be broken or dried in an egg-drying plant.

Part II also requires that all livestock and livestock products shall be made available for inspection and grading as required by the regulations, assigns powers to the inspectors and provides penalties for those who violate the provisions of the Act.

Under Part III of this Act, dealing with poultry production, "poultry" means domestic or wild fowl or birds. This Part provides that the Governor in Council may make regulations:

- (a) prescribing the Dominion Poultry Improvement Program for the improvement of poultry stock and the eradication of disease therein;
- (b) prescribing the requirements for the production of chicks and poultry and under such program, prescribing the terms for chicks and poultry so produced, and respecting the use of such terms;
- (c) prescribing where and when the Dominion Hatchery Approval Policy and the regulations thereunder under the Dominion Poultry Improvement Program shall be in force;
- (d) prescribing measures for sanitation in or about hatcheries;
- (e) prescribing measures for inspection, banding and marketing of chicks and poultry;
- (f) prescribing the method of applying the pullorum test and the period during which it shall be deemed effective.

No person shall operate a hatchery within a province in which the Dominion Hatchery Approval Policy has been proclaimed unless he has secured a permit from the Minister. The shipment of chicks from any place in Canada into any province in which the Dominion Hatchery Approval Policy has been proclaimed under this Act is forbidden unless such chicks have been produced and labelled as required under such Policy, and, if such province has made pullorum testing a requirement of its flock approval policy, unless such chicks were produced in approved hatcheries using only eggs from flocks approved under a provincial flock approval policy which, in the opinion of the Minister, requires pullorum tests as stringent as those of the province into which such chicks are to be shipped.

*LIVESTOCK SHIPPING ACT, R.S.C. 1952, c. 169.*

*"An Act respecting the shipping of livestock."*

For the purposes of this Act, a "ship carrying livestock" means any ship employed in carrying livestock from any port in Canada to any port out of Canada, not being a port in the United States, St. Pierre or Miquelon, Bermuda, the West Indian Islands, Mexico or South America.

This Act empowers the Governor in Council to make regulations for the health, security and safe carriage of livestock on ships, to prescribe a fee to be paid on each head of livestock shipped, before clearance is granted and to appoint inspectors to carry out the provisions of this Act.

No customs officer may grant a clearance to any ship carrying livestock until he receives the certificate of an inspector certifying that the ship is seaworthy and meets all the requirements of the Act and regulations concerning the space and arrangements for the healthy and safe carriage of livestock and the number on board.

Penalties for violation of the Act are provided.

MEAT AND CANNED FOODS ACT, R.S.C. 1952, c. 177.

*"An Act respecting the inspection of meats and canned foods."*

This Act makes compulsory the inspection of all animals intended for slaughter in an establishment or entering the slaughtering area of an establishment. Diseased animals must be slaughtered under the supervision of an inspector and these carcasses, as well as any other carcasses or parts thereof unfit for food, shall be disposed of as provided by the regulations.

Animals owned by farmers and slaughtered by them on their own premises are not subject to inspection but all carcasses wherever slaughtered, intended for export, must be inspected in accordance with the provisions of this Act. Every carcass or portion or product thereof prepared for food in any establishment where foods are prepared for export and packed in any can or package are subject to inspection during the whole course of preparation and packing.

When the inspection requirements of this Act have been complied with, all carcasses healthy and fit for food and all packaged meat or meat products shall be marked as the regulations provide.

This Act also requires that all fish, fruit or vegetables, or products thereof, or any food or food products that may be named by the Governor in Council, used in any establishment where these articles are prepared for export, must be sound, wholesome and fit for food. Regulations are set out regarding the marking and type of container which may be used for any food or food products and the inspection of sanitary conditions in any premises where food is prepared for export or stored for export.

The Act further provides that "no person shall offer or accept for export or import, or shall export or import, any articles subject to inspection under this Act, unless the requirements regarding inspection and marking have been complied with in respect to such articles."

Penalties are set out for violations of the Act, e.g., selling carcasses or other items unfit for food, or false marking of packages containing articles subject to inspection under this Act.

MEAT INSPECTION ACT, S.C. 1955, c. 36.

*"An Act respecting the inspection of meat and meat products entering into international and interprovincial trade."*

This Act contains the substance of the meat inspection provisions of the Meat and Canned Food Act. It deals with sanitary and health matters and provides that meat products exported or moved from one province to another must be prepared in a registered establishment from animals inspected before and after slaughter, and that they must be packed and marked as prescribed and must conform to the prescribed standards. Imported meat products must have been inspected according to the laws of the country of origin and are to be packed and marked as prescribed and to conform to prescribed standards.

Regulations may be made providing for registration of establishments, for inspection, for establishment of standards for packaging and marking requirements.

Administrative provisions concern the appointment and powers of inspectors, the seizure of meat products and penalties for infringements of the Act and regulations.

The regulations revoke those previously in effect under the Meat and Canned Foods Act.

*MILK TEST ACT, R.S.C. 1952, c. 180.*

*"An Act to provide for the testing of glassware used in connection with Milk Tests."*

This Act contains the authority to make regulations regarding the testing and marking for accuracy, by persons designated by the Governor in Council, of glassware sold and used in connection with the testing of milk and cream. Penalties may be imposed for offences against the Act or its regulations.



## VI. TRADE AND COMMERCE

### 1. Export Assistance

#### EXPORT DEVELOPMENT ACT

*"An Act to establish the Export Development Corporation and to facilitate and develop export trade by the provision of insurance, guarantees, loans and other financial facilities."*

Part I of the Act is entitled "Export Development Corporation". It establishes the Export Development Corporation consisting of a Board of Directors composed of a Chairman, a Vice Chairman and 10 other directors. (s.3)

There shall be an Executive Committee of the Board consisting of the Chairman, the President and three other directors selected by the Board. The Governor in Council shall appoint the President from among the directors of the Corporation. (ss. 7-8)

The Corporation is established for the purpose of facilitating and developing trade between Canada and other countries by means of financial and other powers provided in this Act. The Corporation may take, hold or sell mortgages on real and personal property as security for any loan made or guarantee given under this Act. (s.10)

Part II entitled "Insurance, Guarantees and Loans". In this part "export credit agency" means a corporation, commission, board, agency of a government or body incorporated or established in a country other than Canada and having purposes similar to those of the Corporation. "Export transaction" means a transaction involving the export of goods out of Canada; the manufacture, treatment or servicing of goods for, or the sale or leasing of goods to a foreign customer; the sale or licensing of any right in a patent, trademark or copyright to a foreign customer or; the rendering to a foreign customer of any managerial, construction, technological, marketing or other services. (s.23)

For the purpose of facilitating and developing trade between Canada and any foreign country the Corporation may:

- (1) enter into contract of insurance with a person carrying on business in Canada to insure that person against risk of loss in respect of an export transaction;
- (2) issue guarantees, by appropriate endorsement of instruments or otherwise, to any person in connection with an export transaction in respect of which a contract has been or could be entered into under paragraph 1. (s.24)

Where, in the opinion of the Board, it would be conducive to the development of trade between Canada and any foreign country, the Corporation may lend money to a foreign customer upon the security of an instrument given, made or accepted by a foreign customer in respect of an export transaction. (s.29)



The Corporation may, with the approval of the Governor in Council, enter into a contract of insurance with an investor to insure him against risk of loss in a foreign country by reason of:

- (1) war, riot, insurrection, revolution or rebellion in that country;
- (2) the expropriation, confiscation or deprivation of the use of, or the arbitrary seizure of any property by a government in that country. (s.34)

## 2. Customs and Excise

*CUSTOMS ACT, R.S.C. 1952, c. 58.*

*"An Act respecting the customs."*

This Act sets out the rules governing the movement of goods across the Canadian border or at port of entry.

The value for duty of goods imported shall be determined in accordance with the provision of sections 36 to 41A. (s.35)

The value for duty shall, notwithstanding any invoice or affidavit to the contrary, be the fair market value at the time when and place from which the goods were shipped directly to Canada under competitive conditions. (s.36)

Where like goods were not sold for home consumption or were not sold for home consumption in the circumstances described in section 36, but similar goods were so sold, the value for duty shall, notwithstanding any invoice or affidavit to the contrary, be the aggregate of the cost of production of the goods imported and an amount that is the same percentage of the cost of production of the goods imported as the gross profit on the similar goods is of the cost of production of similar goods. (s.37)

Where the value for duty cannot be determined for the reason that like or similar goods are not sold in the country of export, the value for duty shall be determined in such a manner as the Minister prescribes. (s.38)

Where the Minister is satisfied that material injury has been or may be caused to any industry in Canada or any portion thereof, by reason of the importation of any new or unused goods or class of such goods at a value for duty less than the cost of production thereof, plus a reasonable amount for gross profits, he may so report to the Governor in Council. The Governor in Council may order that the value for duty of those goods or that class of goods shall be increased to an amount equal to the cost of production plus a reasonable amount of gross profit to be determined in the manner prescribed in Section 37. (s.39)

When neither the fair market value nor the nearest equivalent can be ascertained, the value for duty shall be the actual cost of production of similar goods at date of shipment to Canada, plus a reasonable addition for administration, selling cost and profit in such a manner as the Minister prescribes. (s.40)

The value for duty does not include any internal tax within the country of origin from which the imported goods have been exempted or have been relieved by means of refund or drawback. (s.40a)

Customs appraisers appointed in accordance with the terms of this Act shall determine the tariff classifications into which imported goods fall and estimate the fair market value of such goods at time of export to Canada. Appeals may be made against their decisions in accordance with the procedure established in the Act.

To provide better protection against the dumping of imported goods on the Canadian market, the Act authorizes the Minister of National Revenue, in cases where he finds that prices of manufactured goods and fresh fruits and vegetables in the country of export have fallen to abnormally low levels as a result of the advance of the season or the marketing period, to appraise the goods concerned for customs purposes on the basis of the weighted average price of goods sold for domestic consumption in the country of export in a reasonable period not to exceed six months immediately preceding the date of shipment to Canada. (s.40a)

The Act also requires that all goods exported from Canada be reported and entered outwards at the Customs-house at the port of exit.

Under Section 273 of the Act the Governor in Council may make regulations, some of which relate to agriculture and concern:

- (a) Cattle slaughtered and grain ground in bond;
- (b) Exemption from duty of any Canadian grain or grain products taken to the United States to be ground and brought back into Canada within two days after leaving this country;
- (c) Regulation of the quantities of any goods so taken out or brought in at any time by any person and the manner of establishing the claim to exemption;
- (d) Any articles, whether natural products or products by manufactures, used as materials in Canadian manufactures.

The order in council may provide:

that such articles may be imported into Canada free of customs duty or at a reduced rate thereof during a specified period; or

for a drawback of all or part of the duty paid on such articles, or for the granting of a specific sum in lieu of the drawback.

Penalties are provided for contravention of the Act or regulations thereunder.

CUSTOMS TARIFF ACT, R.S.C. 1952, c. 60.

*"An Act respecting the duties of customs."*

Schedule A of this Act sets out a list of goods and the rates of customs duties applicable to the goods when imported into Canada. The rates of customs duties set forth in column (1), "British Preferential /B.P./ Tariff", apply to goods grown, produced or manufactured in the British countries listed in the Act, when shipped direct from a British country into a sea, lake or river port of Canada. Column (2), "Most-Favored-Nation /M.F.N./ Tariff", sets forth the rates of customs duties applicable to goods grown, produced or manufactured in any British or foreign country to which the benefits of such Most-Favored-Nation Tariff have been extended, when imported into Canada direct from a country entitled to the benefit of the Most-Favored-Nation Tariff. The rates of customs duties set forth in column (3), "General Tariff", apply to goods not entitled to admission under the Most-Favored-Nation Tariff or under the British Preferential Tariff. Some goods, produced in British countries with which Canada holds bilateral trade agreements, are, under the terms of the agreements, entitled to rates of duties more favorable than those of the British Preferential Tariff. (s.3, 1952)

The Governor in Council may extend or withdraw the benefits of the B.P. or M.F.N. tariffs, and make such regulations as are necessary to carry out the provisions of the several tariffs. (s.4)

The importer of goods entitled to the benefits of the British Preferential Tariff is entitled to a discount of 10 per cent on the amount of duty computed under such tariff, when such goods are conveyed without trans-shipment from a ~~port~~ of a country enjoying the benefits of the British Preferential Tariff into a port of Canada. Goods entitled to the benefit of the British Preferential Tariff are entitled to the discount authorized by this section, when shipped on a through bill of lading consigned to a consignee in a specified port in Canada, when such goods are transferred at a port in British possession and conveyed without further trans-shipment into a port of Canada. (s.5)

The Act further provides for a special or dumping duty, not exceeding 50 per cent ad valorem, in the case of goods exported to Canada of a class made or produced in substantial quantities in Canada if the selling price to an importer in Canada is less than the fair market value or the value for duty of the goods. This dumping duty, equal to the difference between the selling price of the goods exported and the value for duty, shall be levied, collected and paid on such goods although not otherwise dutiable. The Minister may make regulations to carry out and enforce these provisions. (s.6)

The Act provides for the application of a special additional duty, to apply on goods of a class or kind made in Canada which are being subsidized by a government or government agency abroad. The additional duty which can be levied on such imports is equal to the amount of the subsidy. (s.6a)



The Canada-West Indian Trade Agreement provides for special rates of duty on products specified in Schedule A to the Agreement. Other goods, with the exception of tobacco, cigars, cigarettes, spirituous or alcoholic liquors which are the produce or manufacture of the British colonies named in the Act, when they are conveyed to Canada without trans-shipment or with trans-shipment only at a British port, are not subject to more than 50 per cent of the duties imposed on similar goods under the General Tariff. (s.9)

Section 10 of the Act provides that, by order in council, reductions of duties on goods imported into Canada from any country may be granted as compensation for concessions extended by any such country. Accordingly, concessions granted or secured under the General Agreement on Tariffs and Trade (GATT) become part of the effective Canadian tariff schedule when authorized for inclusion therein by an order in council; they also become effective if they are contained in an amendment to the Customs Tariff Act. (s.10)

Provision is made for the payment of drawbacks of Customs duties on the materials set forth in Schedule B to this Act when used for consumption in Canada for the purposes specified in that Schedule. These include materials used in the manufacture of farm machinery and equipment. (s.11)

The Governor in Council, by order, may from time to time amend Schedules A to C and any list of articles or goods, the duties on which are removed or reduced pursuant to any Act or any order in council under the Customs Act or this Act by renumbering the items set out in Schedules A to C. (s.17)

*EXCISE ACT, R.S.C. 1952, c. 99.*

*"An Act respecting excise."*

This Act requires the licensing by the Minister of National Revenue of all distilleries, breweries, and business engaged in the manufacture in bond of certain kinds of goods, and of all manufacturers of tobacco and cigars and provides for the payment of excise rates and duties as listed in the Schedule to the Act. This Schedule sets out the duties of excise imposed on spirits distilled in Canada, on imported spirits, on all beer or malt liquor brewed in or imported into Canada and all malt brought into a brewery in Canada, on all tobacco and cigars manufactured in Canada, and on Canadian raw leaf tobacco when sold for consumption.

A farmer who grows and processes tobacco for use on his own farm and not for sale does not require a license, nor is the tobacco subject to excise duty unless the quantity so processed exceeds 30 pounds for each adult member of the family residing on the farm. (s.226)

Penalties are provided for violating the provisions of the Act.

*EXCISE TAX ACT, R.S.C. 1952, c. 100.*

*"An Act respecting excise taxes."*

There shall be imposed, levied and collected a consumption or sales tax of 9 per cent on the sale price of all goods produced or manufactured in Canada or goods imported into Canada. (s.30)

The tax imposed by Section 30 excludes some agricultural equipment and most foodstuffs from the sales tax imposed by this Act mentioned in Schedule III of the Act. (s.32)

*EXPORT AND IMPORT PERMITS ACT, S.C. 1953-54, c. 27.*

*"An Act respecting the export and import of strategic and other goods."*

The Act authorizes the Governor in Council to establish, re-establish, amend or vary Export, Import and Area Control Lists. The Export Control List may include any article, the export of which he thinks should be controlled:

- (a) to prevent arms, munitions, war materials or supplies, or articles having a strategic nature or value, from reaching a destination where they might be detrimental to the security of Canada;
- (b) to implement an intergovernmental arrangement or commitment; or
- (c) to ensure that there is an adequate supply and distribution of such article in Canada for defence or other needs.

The Area Control List may include any country to which the Governor in Council deems it necessary to control the export of any goods. (s.4)

The Import Control List may include any article the import of which the Governor in Council deems it necessary to control:

- (a) to ensure, in accordance with the needs of Canada, the best possible supply and distribution of an article that is scarce in world markets or is subject to governmental controls in the countries of origin or to allocation by intergovernmental arrangement;
- (b) to implement any action taken under the Agricultural Stabilization Act, the Fisheries Prices Support Act, the Agricultural Products Co-operative Marketing Act or the Agricultural Products Board Act, to support the price of the article or that has that effect; or
- (c) to implement an intergovernmental arrangement or commitment. (ss.5-6)

The Minister of Trade and Commerce may issue to any resident of Canada applying therefore, and may amend, suspend, cancel or re-instate, a permit to import or export goods included in a Control list or to export them to a country included in an Area Control List, in such quality and quantity and subject to the terms and conditions stated in the regulations. (ss.7-11)



A permit must be obtained for the export or import of any goods listed in the Export or Import Control Lists and for any goods exported to a country included in an Area Control List, and may be used only by the person to whom it was issued.

The Governor in Council may also make regulations concerning:

- (a) the information to be supplied by applicants and the procedures to be followed in obtaining, issuing or granting permits, certificates and other authorizations;
- (b) the duration of and the terms and conditions upon which these authorizations may be issued or granted;
- (c) the certification, authorization or other control of any in-transit movement of goods entering or being exported from any Canadian port or place;
- (d) the exemption of any person or goods or classes thereof from the operation of the provision(s) of this Act; and
- (e) directions necessary to carry out the purposes and provisions of the Act. (s.12)

The Act sets out the duties of customs officers and the extent to which powers granted to them under the Customs Act shall apply for the purposes of this Act. (s.24)

Penalties are set out for contravention of any provisions of the Act.

*TARIFF BOARD ACT, R.S.C. 1952, c. 261.*

*"An Act to provide for the appointment of a Tariff Board."*

The Act sets out the constitution and duties of the Tariff Board and authorizes it to hear appeals under the Customs Act or Excise Tax Act. Board decisions in these cases must be published in the Canada Gazette. The Governor in Council may empower the Board to hold an inquiry under section 14 of the Customs Tariff or under authority of the Combines Investigation Act, into combinations which enhance prices, or direct it to enquire into and report on any matter relating to the trade or commerce of Canada, according to the procedure outlined in the Act.

If the Minister so requests, the Board shall, for both domestic and imported goods, make inquiry into and report to him:

- (a) the price and cost of raw materials in Canada and elsewhere, and the cost of transportation thereof from the place of production to the place of use or consumption;
- (b) the cost of efficient production in Canada and elsewhere, and what increases or decreases in rates of duty are required to equalize differences in the cost of efficient production;

- (c) the prices received by producers, manufacturers, wholesale dealers, retailers and other distributors in Canada and elsewhere;
- (d) all conditions and factors, including the cost, efficiency and conditions of labor, which affect the costs of production and manufacture and the price to consumers in Canada, as compared with other countries; and
- (e) the effect that an increase or decrease of the existing rate of customs or excise duty upon a given commodity might have upon industry or trade, and the extent to which the consumer is protected from exploitation. (s.4)

The Governor in Council may make regulations necessary to carry out the provisions of the Act.

### 3. Trade Agreements

*THE AUSTRALIAN TRADE AGREEMENT ACT, S.C. 1960, c. 17.*

*"An Act respecting a certain trade agreement between Canada and Australia."*

Under the Agreement, Canada grants to the goods enumerated in Schedule A, being the produce or manufacture of Australia, when imported into Canada, the tariff rates indicated in the Schedule. All other goods, the produce or manufacture of Australia, when imported into Canada obtain the benefits of the British Preferential Tariff. (Article 1)

Similarly, Australia grants to the good enumerated in Schedule B, being the produce or manufacture of Canada, when imported into Australia the tariff rates indicated in the said Schedule B. All other goods the produce or manufacture of Canada, when imported into Australia obtain the benefits of the British Preferential Tariff. (Article 2)

Notwithstanding the provisions of Articles 1 and 2, should either Government, in order to implement a recommendation of its Tariff Board, wish to apply a rate of duty to the goods of the other country in excess of that provided for under the terms of those Articles, it shall enter into consultation with the other Government for the purpose of seeking a mutually satisfactory adjustment.

In the event that agreement cannot be reached within a period of 90 days after the commencement of consultation, the initiating Government shall be free to withdraw the concession. (Article 3)

If either Government considers that any product is being imported from the other country under such conditions as to cause material injury to producers of like or directly competitive products in the country of importation, the two Governments shall, after notice has been given in writing, consult together to consider measures to prevent further injury. If a mutually satisfactory solution does not result within 60 days from the commencement of these consultations the relevant provisions shall not apply to the

product specified in the notice. (Article 6)

This Act shall remain in force for a period of three years from the date of its coming into force and thereafter until 6 months from the day on which either Government shall have given written notice to the other Government of its intention to terminate the Agreement.

*CANADA-UNITED STATES OF AMERICA TRADE AGREEMENT ACT, S.C. 1939, c. 29.*

*"An Act respecting a certain Trade Agreement between Canada and the United States of America."*

The Agreement approved by this Act has been suspended and will be inoperative for such time as both Canada and the United States are contracting parties to the General Agreement on Tariffs and Trade.

*THE NEW ZEALAND TRADE AGREEMENT ACT, S.C. 1932, c. 34.*

*"An Act respecting a certain Trade Agreement between Canada and New Zealand."*

This Act ratifies the 1932 Trade Agreement between Canada and New Zealand, the benefits of which also apply to the Territory of Western Samoa and the Cook Islands. Under the Agreement, Canada grants to the goods enumerated in Schedule A, being produced or manufactured in New Zealand, when imported directly into Canada, the tariff rates indicated in the said Schedule; provided that such rates shall in no case be higher than the rates chargeable on similar goods under the British Preferential Tariff of Canada. All other goods produced or manufactured in New Zealand, when imported directly into Canada, enter under the benefits of the British Preferential Tariff. The Act makes provisions for the imposition by the importing country of a special duty on imports of items in Schedule A which would injuriously affect the producers or manufacturers of similar domestic goods if the exporting country did not apply remedial measures within 30 days after the receipt of the importer's written complaint.

Similarly, New Zealand grants to the goods enumerated in Schedule B, being produced or manufactured in Canada, when imported into New Zealand the tariff rates indicated in the said Schedule B; provided that, except where otherwise indicated in that Schedule, such rates shall in no case be higher than the rates chargeable on similar goods under the British Preferential Tariff of New Zealand. All goods produced or manufactured in Canada, when imported into New Zealand, receive the benefits of the British Preferential Tariff. The tariff advantages set out in this paragraph apply only to goods which after shipment from Canada have not entered into the commerce of or been subjected to any process of manufacture in any country the produce or manufactures of which are not entitled to the benefits of the British Preferential Tariff. Provision is also made for the application of remedial measures when imports of these goods might injure domestic production or manufacture.

The date of termination of the Act shall be that agreed upon by Canada and New Zealand.

*THE UNITED KINGDOM TRADE AGREEMENT ACT, S.C. 1937, c. 17.*

*"An Act respecting a certain Trade Agreement between Canada and the United Kingdom."*

The contractual obligations between Canada and the United Kingdom established under this Agreement have been modified by the provisional application by Canada of Parts I, II and III of the General Agreement on Tariffs and Trade signed at Geneva in 1947. Although Canada's adherence to the General Agreement had not been approved by an Act of Parliament up to the end of March, 1955 an exchange of letters in 1947 between the Government of Canada and the Government of the United Kingdom established the basis on which the trade between these two countries has been regulated since the signing of the General Agreement. Therefore, this summary will present the trade arrangements in effect between Canada and the United Kingdom as established by the Canada-United Kingdom Trade Agreement, 1937, and the revisions to this Agreement contained in the Exchanges of Letters between Canada and the United Kingdom in 1938 and 1947.

The Agreement establishes rates of customs duties leviable on Canadian goods imported into the United Kingdom (the British Preferential Tariff), specifies which Canadian goods may enter the United Kingdom free from duty, and establishes margins of preference on certain goods imported from Canada over similar goods imported from a foreign country. Similar concessions are made by Canada on the importation into this country of goods produced in the United Kingdom and any of the non-self-governing Colonies, Protectorates or Territories under British Trusteeship.

Under the Exchange of Letters in 1947, each country undertakes, with respect to goods covered by the relevant schedules of the General Agreement (No. V is the Canadian Schedule and No. XIX is the United Kingdom Schedule), to continue to accord to the products of the other, treatment no less favorable in general than has been accorded under the existing Agreement of 1937, but in which also each government recognizes the right of the other to reduce or eliminate preferences.

Article II of the Agreement of 1937 provides that neither government will, without the consent of the other, amend its regulations regarding qualification for preferential tariff treatment so as to increase above 50 per cent the prescribed proportion of the value of any class of manufactured articles which must be derived from expenditure in the Commonwealth in order to entitle the articles to preference.

That part of Article 5 of the Agreement which was continued by the 1947 Exchange of Letters deals with imports of Canadian bacon and beef into the United Kingdom. As regards bacon, the United Kingdom undertakes that any duty or levy which may be imposed on bacon imported into the United Kingdom shall not apply to imports of Canadian bacon, and also that there will be no regulation by them of such imports unless the rate at which the trade from Canada progresses towards two and one-half million hundredweight per year should become abnormal and such as to endanger the effective working of the system of supply regulation. As regards beef, the United Kingdom undertakes



that no duty or levy shall be imposed on Canadian beef imported into the United Kingdom; that, if so requested, they will make themselves responsible for Canadian interests at any International Conference that may be set up to arrange for regulating supplies imported into the United Kingdom and will attempt to insure that Canada secures an equitable share in the trade in beef; that no agreement for setting up such a Conference will provide for any reduction in imports of Canadian beef into the United Kingdom below the levels reached in the years preceding the 1937 Agreement; and that there will be no regulation of imports of beef from Canada unless, after consultation with the Government of Canada, it appears to the Government of the United Kingdom that the effective working of a general scheme for the orderly marketing of meat in the United Kingdom cannot otherwise be secured.

Under the Agreement of 1937, Canada and the United Kingdom undertake that, except for legislation already in force, certain goods enumerated in the Agreement the produce of either country shall not be subjected, on importation into the other country, to any imposts or charges other than the customs duties leviable under this Agreement unless equal imposts or charges are imposed on similar goods produced by the importing country.

Canada has agreed to exempt particular classes of United Kingdom goods from special or dumping duty under the conditions set out in the Agreement, in recognition of the free entry of certain Canadian goods into the United Kingdom market, as assured in this Agreement and, in particular, of their exemption from any special or dumping duty even if sold in that market at less than their comparable selling price in Canada.

*THE WEST INDIAN TRADE AGREEMENT ACT, S.C. 1926, c. 16.*

*"An Act respecting Trade relations with the British West Indies, Bermuda, British Guiana, and British Honduras."*

Under the terms of the West Indian Trade Agreement, July 1925, goods mentioned in the said Agreement which are the produce or manufacture of any of the colonies parties to the said Agreement or of any of the colonies which may have later ratified the said Agreement, which are conveyed without trans-shipment by ships directly into a sea or river port of Canada, are admitted to Canada at the rates of duties provided in the Agreement. Goods other than those provided for in Schedule A and other than tobacco, cigars, cigarettes, and spirituous or alcoholic liquors, are not subject to more than 50 per cent of the duties imposed on similar goods under the General Tariff of Canada.

Similarly, the said colonies grant to articles specified in Schedule B (most are agricultural products), being the produce or manufacture of Canada, when imported into the said colonies, the preferential treatment indicated in the said Schedule B. In addition the Agreement provides that the duties on all goods, other than tobacco, cigars and cigarettes, being the produce or manufacture of Canada, when imported into any of the said colonies are to be no more than a stated proportion, varying among the colonies, of the duties imposed on similar goods when imported from any foreign country.



The Canadian Governor in Council may extend the said advantages to goods that are the produce or manufacture of any British country.

The agreement shall remain in force for all signatories until 12 months after any of the participating governments gives notice that it wishes to withdraw, after which the agreement will remain in full force for all who have not given notice.

#### 4. International Conventions

*FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS ACT, R.S.C. 1952, c. 122.*

*"An Act for carrying into effect the Agreement for a Food and Agriculture Organization of the United Nations between Canada and certain other Nations and Authorities."*

This Act approves the Constitution of the Food and Agriculture Organization and empowers the Governor in Council to make such appointments, establish such offices, make such Orders in Council and do such things as appear to him necessary for carrying out the provisions of the Constitution.

The Constitution states that the Food and Agriculture Organization was established to promote the common welfare of the Member Nations by furthering separate and collective action for the purposes of "raising levels of nutrition and standards of living of the peoples under their respective jurisdictions, securing improvements in the efficiency of the production and distribution of all food and agricultural products, bettering the condition of rural populations, and thus contributing toward an expanding world economy".

The functions of the Organization are to collect, analyze, interpret, and disseminate information relating to nutrition, food, and agriculture, and to promote and recommend national and international action with respect to:

- (a) scientific, technological, social, and economic research and the improvement of education and administration relating to nutrition, food and agriculture;
- (b) the conservation of natural resources and the adoption of improved methods of agricultural production and of processing, marketing, and distributing food and agricultural products;
- (c) the adoption of policies for the provision of adequate agricultural credit, national and international;
- (d) the adoption of international policies with respect to agricultural commodity arrangements.

It is also the function of the Organization:

- (a) to furnish such technical assistance as governments may request;
- (b) to organize, in co-operation with the governments concerned, such missions as may be needed to assist them to fulfil the obligations arising from their acceptance of the recommendations of the Conference of the Food and Agriculture Organization of the United Nations and of this Constitution.

*THE INTERNATIONAL PLANT PROTECTION CONVENTION*

The International Plant Protection Convention was adopted at the Food and Agriculture Organization meeting in Rome in the fall of 1951. Canada ratified it on June 16, 1953.

Article I(1) of the Convention reads:

"With the purpose of securing common and effective action to prevent the introduction and spread of pests and diseases of plants and plant products (unmanufactured and milled material of plant origin) and to promote measures for their control, the contracting Governments undertake to adopt the legislative, technical and administrative measures specified in this convention and in supplementary agreements pursuant to Article III".

The provisions of the convention also extend to storage places, containers, conveyances, packing material and soil used in the international transportation of plants and plant products.

VII. TRANSPORTATION

*AERONAUTICS ACT, R.S.C. 1952, c. 2.*

*"An Act to authorize the control of aeronautics."*

Part I sets out the duties and powers of the Minister for the control and regulation of civil aviation.

Part II of the Act gives the Canadian Transport Commission full jurisdiction in regard to licensing and other matters pertaining to civil aviation and defines its powers.

Subject to the approval of the Governor in Council, the Commission may make regulation respecting traffic, tolls and tariffs and providing for the disallowance or suspension of any tariff or toll by the Commission, the substitution of a tariff and toll satisfactory to the Commission on the prescription by the Commission of other tariff and tolls in lieu of tariff and tolls so disallowed; and other matters related to aeronautics. (s.13)

The Act provides that no one shall operate a commercial air service unless he holds a valid and subsisting license issued to him by the Minister certifying that that the holder is adequately equipped and able to conduct a safe operation as an air carrier over the prescribed route in the prescribed area. (s.15)

Penalties are provided for those who violate the provisions of this Act. (s.16)

Part III authorizes the employment of personnel to administer the Act.

*DEPARTMENT OF TRANSPORT ACT, R.S.C. 1952, c. 79.*

*"An Act respecting the Department of Transport."*

The Act provides for the organization and operation of the Department of Transport over which the Minister of Transport appointed under the Great Seal of Canada shall preside. (s.3)

The Minister has the management, charge and direction of all Government railways and canals, and of all work and property appertaining or incident to such railways and canals, also of the collection of tolls on the public canals, and matters incident thereto, and of the offices and persons employed in that service. (s.7)

Penalties are provided for those who violate the provisions of this Act.

*INLAND WATER FREIGHT RATES ACT, R.S.C. 1952, c. 153.*

*"An Act with respect to freight rates for the carriage of grain by lake and river navigation."*

"This Act is intended to regulate the shipping rates of grain transported /on Canadian lakes or rivers/ for interprovincial, foreign or export trade."

Shippers are required to file with the Board of Grain Commissioners, a true copy of the document for carriage of the grain. The Board must tabulate all rates and tariffs received and also ascertain the freight rates that prevail, or are exacted or required for the carriage of grain from the Lakehead by inland waters to places in Canada or the United States. Then the Board shall report to the Minister of Trade and Commerce any apparent deficiency of cargo space, excessive freight charges or discrimination in rates. All ship-owners and persons engaged in the grain trade must, upon request, furnish the Board with information concerning these matters, or be subject to the penalties set forth in the Act.

In cases of unreasonable, unjust or discriminatory rates, tolls or charges imposed for the carriage of grain by any person or company, the Board may prescribe maximum rates and vary them to suit conditions prevailing at any time. Penalties may be enforced against anyone charging rates, tolls or charges in excess of the maximum set by the Board.

*MARITIME FREIGHT RATES ACT, R.S.C. 1952, c. 174.*

*"An Act respecting the Canadian National Railways and the tariffs of tolls to be charged on certain Eastern lines."*

For the purposes of this Act the lines of railway operated as a part of the Canadian National Railways and situated within the provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, the steamship services between Port aux Basques and North Sydney, and the lines of railway, similarly operated, in the province of Quebec extending from the southern provincial boundary near Matapedia and near Courchesne to Diamond Junction and Levis are collectively designated as the "Eastern lines". However, certain other lines of railway may be included within, or withdraw from the "Eastern lines".

The purpose of this Act is to give certain statutory advantages in rates to persons and industries in the four provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, and, in addition to traffic moving over those lines in the province of Quebec mentioned in the preceding paragraph, together called "select territory" in this summary.

This Act authorizes the Canada Transport Commission to maintain a tariff of tolls to be charged in respect of the movements of freight traffic on the Eastern lines, on the general rate level of approximately 20 per cent below the tolls or rates existing on July 1, 1927, while the cost of railway operations in Canada remains approximately the same as at the said date, but the Commission may allow the increase or reduction of such tolls or tariffs from time to time to meet increases or reductions, as the case may be, in such costs of operation.



The following are *preferred* movements as provided for in the Act:

- (a) local traffic, all rail -- between points on the Eastern lines;
- (b) traffic moving outward, westbound, all rail -- from points on the Eastern lines westbound to points in Canada beyond the limit of the Eastern lines at Diamond Junction or Levis -- the 20 per cent reduction shall be based upon the Eastern lines proportion of the through rate;
- (c) traffic moving outward, export traffic, rail and sea -- from points on the Eastern lines through ocean ports on the Eastern lines' destined for overseas;
- (d) traffic moving outward, westbound, rail-and-lake, and also rail-lake-and-rail from points on the Eastern lines westbound to points in Canada via ports beyond the limit of the Eastern lines at Diamond Junction or Levis -- the 20 per cent shall be based on the Eastern lines' proportion or the through rate for the rail mileage from the shipping point on the Eastern line west as far as Diamond Junction or Levis.

The rates specified in the tariffs of tolls in this Act provided for, in respect of preferred movements, are deemed statutory rates, not based on any principle of fair return to the railway for services rendered in the carriage of traffic.

The Act further provides that other companies owning or operating lines of railway in or extending into the select territory may file with the Commission tariffs of tolls respecting freight movements similar to the preferred movement, meeting the statutory rates referred to in the preceding paragraph. The Commission on approving any such tariff shall certify the normal tolls which but for this Act would have been effective and shall, in the case of each company, at the end of each calendar year ascertain and certify to the Minister of Transport the amount of the difference between the tariff tolls and the normal tolls on all traffic moved by the company during such year under the tariff so approved; and the company is then entitled to payment by the Government of Canada of the amount of the difference so certified. Provision is made for the revision by the Commission every third year or at the request of the Governor in Council of the normal tolls referred to in the preceding sentence.

*MOTOR VEHICLE TRANSPORT ACT, S.C. 1953-54, c. 59.*

*"An Act respecting extra-provincial motor vehicle transport."*

Provincial administrations are authorized by the Act to control and regulate interprovincial and international highway transport undertakings carried on within their own provinces. Therefore, an extra-provincial transport undertaking which operates into or through a province must hold



an operating certificate for that province if provincial law requires that a local undertaking have one. The provincial transport board is authorized to grant this license to an operator of an extra-provincial undertaking and to regulate tariffs and tolls charged by him for extra-provincial transport of goods and passengers within the province, upon the same terms and conditions as apply to local undertakings.

The Act states that it shall come into force in a province "only upon the issue of a proclamation of the Governor in Council declaring it to be in force in that province". In practice, a province requests that the Act be declared effective within its boundaries.

Penalties are provided for persons who violate the provisions of the Act, or regulations established under it by order in council.

*NATIONAL TRANSPORTATION ACT, S.C. 1966-67, c. 69.*

*"An Act to define and implement a national transportation policy for Canada, to amend the Railway Act and other Acts in consequence thereof and to evert other consequential provisions."*

"Commission" means the Canadian Transport Commission established by the Act. (s.3)

The Act applies to the following modes of transport:

- (a) transport by railways to which the Railway Act applies;
- (b) transport by air to which the Aeronautics Act applies and all other transport by water to which the legislative authority of Canada extends;
- (c) transport by commodity pipeline connecting a province with any other or others of the provinces or extending beyond the limits of a province;
- (d) transport for hire or reward by a motor vehicle undertaking connecting a province with any other or others of the provinces or extending beyond the limits of a province. (s.4)

Except as otherwise expressly provided by this Act, the provisions of the Railway Act relating to the sitting of the Commission and the disposal of business, witnesses and evidence, practice and procedure, orders and decisions of the Commission and review thereof and appeals therefrom apply in the case of every inquiry, complaint, application or other proceedings under the Act, the Aeronautics Act or the Transport Act or any other Act of the Parliament of Canada imposing any duty or function on the Commission; and the Commission shall exercise and enjoy the same jurisdiction and authority in matters under such Acts as are vested in the Commission under the Railways Act. (s.5)

It is the duty of the Commission to perform the functions vested in the Commission by this Act, the Railway Act; the Aeronautics Act and the Transport Act with the object of co-ordinating and harmonizing the operations of all carriers engaged in transport by railways, water, aircraft, extra-provincial motor vehicle transport and commodity pipelines; and the Commission will give to this Act, the Railway Act, the Aeronautics Act and the Transport Act such fair interpretation as will best obtain that object. (s.14)

*RAILWAY ACT, R.S.C. 1952, c. 234.*

*"An Act respecting railways."*

This Act applies to all persons, railway companies and railways, within the legislative authority of the Parliament of Canada, whether heretofore or hereafter, and howsoever, incorporated or authorized, except Government railways, to which, however, it applies to such extent as is specified in any Act referring or relating thereto. (s.5)

The provisions of this Act extend and apply to every railway company incorporated elsewhere than Canada and owning, controlling, operating or running trains or rolling stocks upon or over any line or lines of railways in Canada and every railway company operating or running trains from any points in the United States to any point in Canada. (s.6)

Whenever farm lands are injuriously affected because drainage close to the railway is inadequate, the Act makes provision for the installation of proper drainage on or near railways and for the determination of compensation, if any, payable for damage. (ss.272-273)

Some provisions of the Act concern the protection of farm property and livestock near railways. All railway companies are required to make convenient farm crossings for persons across whose lands the railway is carried. Livestock in using such crossings when at rail level must be in charge of some competent person who will take all reasonable precautions to avoid accidents. (ss. 275-6)

In addition, except in location in which, in the opinion of the Transport Commission, such structures are unnecessary, all railway companies are required to erect and maintain fences four and one-half feet high on each side of the railway with swing gates in such fences at farm crossings and also cattle guards on each side of the highway, at every highway crossing at the rail level. The persons for whose use farm crossings are furnished must keep the gates at each side of the railway closed when not in use. (ss.277-8)

Livestock are not permitted to be at large on any highway within half a mile of the intersection of such highway with a railway at rail level unless they are in charge of some competent person. Any livestock found at large may be impounded. (s.281)

The Act requires that every railway company shall destroy, each year, thistles and other various weeds growing on the right of way and open land of the company adjoining the railway, before such thistles or weeds have sufficiently matured to seed. The company shall also keep its right of way free from dry grasses, weeds and unnecessary combustible matter and take precaution to prevent fires occurring upon or near the right of way. (ss.282-84)

Every company shall file with the Commission the freight classification that shall govern its tariffs of tolls and shall maintain such tariffs of tolls as will, in conjunction with a freight classification, provide published tolls applicable between two points on its line in Canada. (s.325)

Except as otherwise authorized by this Act, the company shall not charge any tolls except tolls specified in a tariff that has been filed with the Commission and is in effect. The Commission may, with respect to any tariff of tolls or classification, make regulation fixing and determining the time, the place where, and the manner in which the tariff shall be filed, published, kept open for public inspection, and amended, consolidated, suspended or cancelled. (s.326)

Section 328 of this Act is the authority for the Crowsnest Pass scheme of rates on grains and flour moving from any point on any line of railways west of Fort William to Fort William and Port Arthur. The rates shall be governed by the provisions of the agreement made pursuant to chapter 5 of the Statutes of Canada, 1897. Rates on grain and flour moving from any point of any line of railway west of Fort William to Vancouver or Prince Rupert for export shall be governed by the provisions (Line 2 of General Order No. 448) issued by the Board of Railway Commissioners for Canada. Rates on grain and flour moving for export from any point west of Fort William or Armstrong to Churchill over any line shall be maintained at the level of rates applying on December 31, 1966. (s.328)

"Eastern port" means any of the ports of Halifax, Saint John, West Saint John and Montreal and any of the ports on the Saint Lawrence River to the east of Montreal. For the purpose of encouraging the continued use of Eastern ports for the export of grain and flour, rates for grain moving in bulk for export to any Eastern port from any inland point over any line of railways shall be maintained at the level of rates applying on November 30, 1960. Rates on flour moving for export to an Eastern port from any inland point over any line shall be maintained at the level of rates applying on September 30, 1966. (s.329)

Except as provided in this Act, all freight rates shall be compensatory; and the Commission may require the company issuing a freight tariff to furnish to the Commission at the time of filing the tariff or at anytime, any information required by the Commission to establish that the rates contained in the tariff are compensatory. A freight rate shall be deemed to be compensatory when it exceeds the variable cost of the movement of traffic concerned as determined by the Commission. (s.334)

Railway companies shall exchange such information with respect to cost as may be required under this Act and may agree upon and charge common rates in accordance with regulation or orders made by the Commission. (s.337)

TRANSPORT ACT, R.S.C. 1952, c. 271. (CANADIAN TRANSPORT COMMISSION)

*"An Act to establish a Board of Transport Commissioners for Canada, with authority in respect of transport by railways, ships and aircraft."*

Under Part I of the Act:

"It is the duty of the Commission to perform the functions vested in the Commission by this Act and by the Railway Act with the object of co-ordinating and harmonizing the operations of all carriers engaged in transport by railways and ship ...".

"Ship" means every description of vessel, including freighter, barge or scow, exceeding 10 tons gross tonnage and navigating the Mackenzie River, and exceeding 500 tons gross tonnage and navigating other waters in Canada; and it also includes floating elevators for the application of harbor tolls to agricultural products. "Shipper" means a person sending or receiving goods by any carrier to whom the Act applies.

For the most part this Act applies to the carriage of package freight but it also applies to the transport of "goods in bulk" (which include grain and grain products, flour and mill feeds in bulk or in sacks and some non-agricultural items) on the Mackenzie River.

Licenses issued under the Act are based on public convenience and need for such transport, and are valid for one year. Fees payable for these licenses are set out in an approved schedule issued by the Commission (and generally amount to about one cent per gross ton of cargo carried).

Part II of the Act concerns "Transport by Water" and has become effective for the Great Lakes, Mackenzie River and Yukon Territories areas by proclamation of the Governor in Council. This Part specifies that, unless exempted by regulations under the Act, ships must be licensed by the Commission to transport goods or passengers, either directly or indirectly, between ports or places in these areas.

In general, the provisions of Parts II, III and IV apply to the transport of goods or passengers on "any sea or inland water" of Canada and to the movement of goods in bulk only on the Mackenzie River.

Traffic, rates and schedules concerning goods or passengers transported by water are regulated under Part III of the Act, the provisions of which extend to water carriers substantially the same terms as accorded railways under the Railway Act. Freight rates and schedules, and supplements or amendments thereto, must be filed with, and may be approved, changed or disallowed by the Board. Equal rates must be charged to all persons for



traffic of the same description and carried in like manner over the same route. The regulations provide that no freight rate may be increased on less than 30 days' notice without Commission authorization. The Commission may also by regulation provide for the uniform classification of freight, the issuance, operation and enforcement of freight schedules, the determination and prevention of unjust discrimination and generally, for any other matters required for the purpose of the Act.

Part IV, "Agreed Charges", states the conditions on which a carrier and a shipper may by agreement determine the charge for goods transported for the shipper by the carrier. ("Agreed charges" differ from other rates because the shipper agrees to bind over a certain percentage of his traffic to the railways for the contract period). All agreed charges must be filed with and approved by the Commission and then published by the carriers. Any representative body of carriers (water, road or rail) who feel that an existing agreed charge unjustly discriminates against their business may request that the Commission fix for their business the same rate as the original agreed charge. Penalties are provided for violations of the Act.



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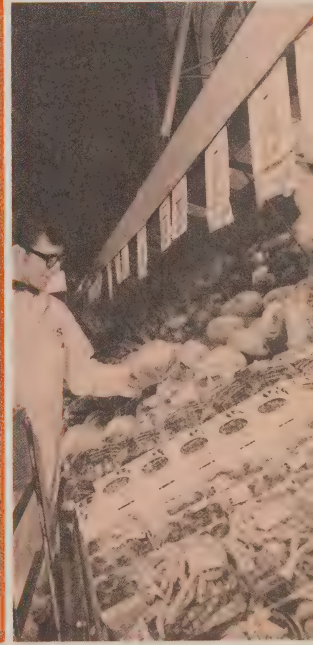
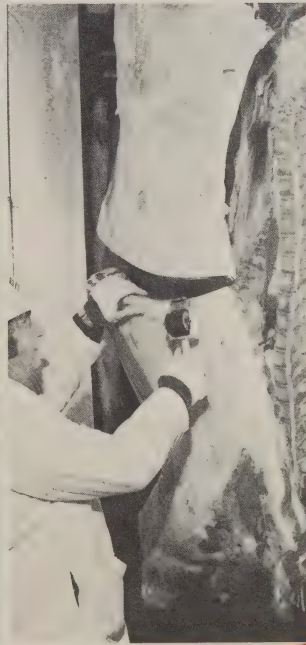


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Branch. Publications. P-75/1*

# FEDERAL AGRICULTURAL LEGISLATION

Up to 1975

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**FEDERAL AGRICULTURAL LEGISLATION**  
**Up to 1975**

Communications, Legislation and Publications Unit  
Economics Branch  
Agriculture Canada  
Ottawa  
K1A 0C5

**Economics Branch Publication No. 75/1**



## FOREWORD

Federal Legislation affecting the Agricultural Industry has been summarized in this publication. The summaries are intended to be a brief, general guide for the intelligent layman, working within or interested in the Canadian Agricultural Food Industry, who requires an overview of all the existing legislation relating to the Canadian Agricultural Industry.

The text is based on the revised statutes of Canada, 1970, and the statutes of Canada up to 1972. The Acts and amendments which are summarized were in effect at December 31, 1974.

Legislation administered by Agriculture Canada, and other federal legislation administered by other federal departments, is summarized. These Acts are classified according to their purposes into eight broad categories. Within these categories the Acts are arranged alphabetically.

The following abbreviations are used repeatedly through the text:

|           |                                |
|-----------|--------------------------------|
| R.S.C.    | Revised Statutes of Canada     |
| S.C.      | Statutes of Canada             |
| C.        | Chapter                        |
| N.C./N.R. | Not consolidated, not repealed |

Response from readers, including opinions and suggestions for improving future editions of this publication, would be most welcome. For the convenience of anyone who wishes to respond, a brief questionnaire has been placed in the back of the publication.

J.M. Sabey  
Director  
Administration Division  
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## I. ADMINISTRATION

### DEPARTMENT OF AGRICULTURE ACT, R.S.C. 1970, A-10

*“An Act respecting the Department of Agriculture.”*

The purpose of this Act is to establish a Department of the Government of Canada called the Department of Agriculture, presided over by a Minister and assisted by a Deputy Minister. The Minister is responsible for the following:

- (a) to maintain the well-being of Canadian agriculture.
- (b) to establish Experimental Stations in strategic places across Canada for the purposes of research and experimentation for the betterment of farms, farmers and their produce.
- (c) to assist in the arts and manufactures of farms and farmers in Canada.

As seen fit by Cabinet, other duties may be assigned to the Minister.

The Minister of Agriculture is to submit an annual report on the proceedings of his Department for the past fiscal year with submissions and suggestions for programs for the coming year to both Houses of Parliament. This report is to be rendered twenty-one days from the beginning of the Session.

### EXPERIMENTAL FARM STATIONS ACT, R.S.C. 1970, E-14

*“An Act respecting Experimental Farm Stations.”*

This Act provides for the setting up of experimental farm stations as follows:

- (a) the Provinces of Ontario and Quebec jointly, which is to be the principal or central station;
- (b) Nova Scotia, New Brunswick and Prince Edward Island jointly;
- (c) Manitoba;
- (d) Saskatchewan, Alberta and the Northwest Territories jointly;
- (e) British Columbia; and
- (f) Newfoundland.

With the approval of the Minister of Agriculture, officers of these farms are to conduct experiments bearing upon the improvement of the agriculture industry in Canada.



(Administration)

NORTHWEST TERRITORIES ACT, R.S.C. 1970, N-22

*"An Act respecting the Northern Territories."*

The Act gives the Commissioner of the Northwest Territories in Council legislative powers for the government of the Territories in regard to agriculture, and authority to make regulations concerning the herding, control, protection, transfer, shipment, sale, slaughter or other disposal, of reindeer or reindeer carcasses.

STATISTICS ACT, SC 1970-71-72, c. 15.

*"An Act respecting statistics of Canada."*

This Act provides for the continuation of a statistics bureau to be known hereafter as Statistics Canada (formerly the Dominion Bureau of Statistics). This agency is under the jurisdiction of the Minister of Industry, Trade and Commerce. Statistics Canada is empowered to:

- (a) collect, compile, analyze, abstract and publish statistical information relating to the commercial, industrial, financial, social, economic and general activities of the people;
- (b) collaborate with departments of government in the collection, compilation and publication of the statistical information, including statistics derived from the activities of those departments;
- (c) take the census of population of Canada and the census of agriculture of Canada;
- (d) co-operate with the provinces in accumulating the information.

All statistics are to be obtained in secret and cannot be published, except in the aggregate, without the written consent of the individual or group concerned.

Section 19 of the Act provides for a census of agriculture of Canada:

- (a) in the year 1971 and every tenth year thereafter;
- (b) in the year 1976 and every tenth year thereafter, unless the Governor in Council otherwise directs in respect of any such year.

Farmers must furnish correct information on their household, dwellings, tenures, land costs and returns, crops, livestock or any other matters laid down by the Governor in Council, to give an accurate picture of rural Canada and for the improvement of agriculture.

*"An Act to provide for the Government of the Yukon Territory."*

The legislative powers assigned to the Commissioner of the Yukon Territory under this Act include agriculture, irrigation and local improvement districts, property rights, the preservation of game in the Territory, and the levying of a tax on furs or parts of fur-bearing animals shipped or taken outside the Territory.

The Commissioner of the Yukon Territory may also make regulations concerning reindeer.

## II. LAND

### 1. Land Development, Conservation and Irrigation

AGRICULTURAL AND RURAL DEVELOPMENT ACT, (ARDA), R.S.C. 1970, A-4

*"An Act to provide for the rehabilitation and development of rural areas in Canada."*

This Act came into force in the 1960-1961 Session and is under the Minister of Regional Economic Expansion.

Its primary objective, with the joint financial and physical help of the Provinces, is to:

- (a) increase income,
- (b) expand employment opportunities, and to
- (c) improve the standard of living

in the have-not rural areas of Canada by:

- (a) undertaking, with the provincial governments, projects for the more efficient use and economic development of rural lands; or to pay to the provinces costs accrued by them to achieve those ends;
- (b) using any means possible, either jointly or by direct re-imbursement to the provinces, to up-grade the standard of living in those areas designated as being well below the National average;
- (c) preparing and undertaking, directly or in co-operation with the government of any province or any agency thereof, programs of research and investigation for the development and conservation of water supplies and for soil improvement and conservation in that province.

All agreements entered into under this Act must specify:

- (a) the proportions of the cost of any project and the contribution in this respect naming the authority responsible for the undertaking, operation and maintenance of such projects;

**(Land)**

- (b) the amount of money that is to be paid to the Minister and the province;
- (c) the charges to persons who may benefit from this project.

**CANADA WATER ACT, RSC, 1970, C-5 (1st Supp)**

*“An Act to provide for the management of the water resources of Canada including research, planning and implementation of programs relating to the conservation, development and utilization of water resources.”*

The reasons for which it came into being are three-fold:

1. the rapidly increasing demands on Canada's water resources; hence the need to know the nature and extent of present resources and probable future demands on these resources.
2. The threat to the health and well-being of Canadians posed by water pollution.
3. The need for federal-provincial cooperation and coordination of water conservation and development programs.

The Act permits the formation of intergovernmental bodies to facilitate formulation of policies and programs. These include water-resource management and water-quality management programs.

The Act also enables the Governor in Council to make regulations concerning the use of nutrients in cleaning agents and water conditioners.

**FISHERIES ACT, R.S.C. 1970, c. 17 (1st Supp)**

This Act provides for the regulation and conservation of the fisheries of Canada and specifically states that no person shall put chemical substances or any deleterious things in any water frequented by fish, or waters tributary to those frequented by fish or on ice over such waters.

**FUND FOR RURAL ECONOMIC DEVELOPMENT ACT (FRED), S.C. 1966-1967, cc, 41, 8**

This Act was repealed in 1968-1969, c. 28, s/a 105 and superseded by the Agricultural and Rural Development Act (ARDA).

**GOVERNMENT ORGANIZATION ACT, 1970, C-14 (2nd Supp)**

*“An Act respecting the organization of the Government of Canada and matters related or incidental thereto.”*

This Act provides for bringing together under a single Ministry all matters relating to the environment.

The Minister of the Department of the Environment has responsibility for matters relating to:

- (a) renewable resources including forest, migratory birds, and other non-domestic flora and fauna;
- (b) water;
- (c) the protection and enhancement of the quality of the natural environment, including water, air and soil quality;
- (d) periphery powers relating to boundary waters between the United States and Canada so far as they relate to pollution control.

#### MARITIME MARSHLAND REHABILITATION ACT, R.S.C. 1970, M-4

*"An Act respecting the reclamation and development of marshlands in Nova Scotia, New Brunswick, and Prince Edward Island."*

This Act authorizes the Minister of Regional Economic Expansion to enter into agreements with the governments of Nova Scotia, New Brunswick and Prince Edward Island for the construction and reconstruction of dykes, aboiteaux, and breakwaters to reclaim and develop the marshlands in these provinces. Before any work is undertaken, a province must fulfill the requirements stated in the Act.

Officers, employees and Advisory Committees may be appointed to assist the Minister in carrying out the provisions of the Act.

#### MIGRATORY BIRDS CONVENTION ACT, R.S.C. 1970, M-12

This Act protects the migratory bird population and specifically prohibits the placement of an oil or substance harmful to migratory birds on or in waters likely to be used by those birds.

#### PRAIRIE FARM REHABILITATION ACT, R.S.C. 1970, P-17

*"An Act to provide for the rehabilitation of drought and soil drifting areas in the provinces of Manitoba, Saskatchewan and Alberta."*

The purpose of this Act is to rehabilitate drought and soil-drifting areas and to promote up-to-date systems of farm practice, tree culture, irrigation, land utilization and land settlement that will afford greater economic security to farms and farmers in Manitoba, Saskatchewan and Alberta.

The Minister of Regional Economic Expansion, under this Act, may undertake the development, construction, promotion, operation and maintenance of projects or schemes to assure the rehabilitation of the drought and soil-drifting areas of the provinces of Manitoba, Saskatchewan and Alberta and may enter into agreements with any province, municipality or person with respect thereto.

## 2. Land Settlement

### LAND TITLES ACT, R.S.C. 1970, L-4

This Act enables the Governor in Council to declare any portion of the Northwest Territories or the Yukon a land registration district and to provide it with a land titles office.

It stipulates how land in the Yukon and the Territories is to be registered, transferred, leased, mortgaged, sold, or otherwise disposed of. It provides for the appointment of land title inspectors and delineates their powers and duties.

The Minister of Indian Affairs and Northern Development is responsible for the administration of this Act.

### PUBLIC LAND GRANTS ACT, R.S.C. 1970, P-29

*"An Act respecting grants of public lands"*

Under this Act, the Governor in Council or a designate is empowered to authorize the sale, lease, or other disposition of any public lands that are not required for public purposes and for the disposition of which there is no other provision.

### SOLDIER SETTLEMENT ACT, R.S.C. 1927, c. 188

*"An Act to assist returned soldiers in settling upon the land."*

Under the provisions of this Act no settlement of veterans has been made since 1924, but one contract is still in force. This Act has primarily been superseded by the Veterans' Land Act. However, for historical purposes, the following is a general outline of the statute. The Soldier Settlement Act provided for the free grant of a quarter-section of any Dominion land reserved under this Act and provided for the purchase and sale to veterans of farms not exceeding 320 acres, except in special circumstances, and livestock for which loans up to \$2000 could be made repayable in seven years. Veterans could also obtain a loan from the government in the amount of \$1000 for permanent improvement. The Act further stipulated that the full amount was to be repaid in 25 equal annual installments with interest of 5 percent per annum.



**(Land)**

**TERRITORIAL LANDS ACT, R.S.C. 1970, T-6**

*"An Act respecting Crown Lands in the Yukon Territory and the Northwest Territories."*

This Act applies only to territorial lands that are under the control, management and administration of the Minister for Indian Affairs and Northern Development (ie. crown lands).

The Act permits the Minister, with the consent of the Governor in Council, to authorize the sale, lease, or other disposition of such lands, subject to certain limitations.

The limitations are particularly rigid where territorial lands sold or leased to an individual are suitable for the growth of hay for the purpose of grazing. Further, permits must be obtained to cut timber on all territorial lands.

**VETERANS' LAND ACT, R.S.C. 1970, V-4**

*"An Act to assist war veterans to settle upon the land."*

The purpose of this Act is to assist veterans of World War II and Korea to settle as full-time farmers, part-time farmers (small holdings), as commercial fishermen or, in the case of Indian veterans, on reservations. It also provides assistance to veterans who wish to construct their own homes.

Under the Act, loans are made to commercial farmers up to a maximum of \$40,000 with a small down payment. Part-time farmers and commercial fishermen may receive up to \$18,000. Home construction financial assistance up to \$18,000 may be approved under arrangement with the Central Mortgage and Housing Corporation. There is a V.L.A. group life insurance plan to protect the repayment of their contracts.

The following schedule under the Act remains in force:

- (a) all Veterans, eligible under the Veterans' Land Act, had to submit on or before October 31, 1968, an application to the V.L.A. to be qualified to participate in the program;
- (b) failing to do so by that time makes them ineligible for any assistance under the V.L.A.;
- (c) assuming that the Veteran meets all specifications, he/she will have received from the local V.L.A. office a Certificate of Qualification;
- (d) on or before March 31, 1975, a definite proposition must be submitted to the Veterans' Land Administration outlining in full the submission and requirements;
- (e) the V.L.A. appraises the property and in farm cases determines the debt-carrying capacity under the applicant's management. If in order V.L.A. takes title to the property and it is then sold to the veteran by an Agreement for Sale;
- (f) the payments under the terms of the Agreement for Sale may be extended over a period of 30 years;
- (g) the interest rate applicable to V.L.A. loans is 3 1/2% on the first \$6,000 and the remainder of the loan at the then current Farm Credit rate in effect;

## (Land)

- (h) the loan ceiling for small holdings, house and half acre lot (minimum) is \$15,400 and for commercial farmers \$40,000;
- (i) additional financing may be made to commercial farmers on an open end system of financing. As a loan is paid off it can be re-borrowed;
- (j) additional financing to small holders may not exceed the \$15,400.00;
- (k) additional loans to established veterans are available up to March 31, 1977;
- (l) at the end of ten years of compliance with the terms of the contract, the veteran earns a grant up to \$2,320;
- (m) when the debt is repaid the veteran receives a deed or transfer to the property.

## III. FINANCE

### 1. Credit

BANK ACT, R.S.C. 1970, B-1

*“An Act respecting banks and banking.”*

This Act outlines the ways and means by which a farmer may obtain money from a bank.

A distinction is made, under this Act, between agricultural implements and agricultural equipment. Agricultural equipment means implements, apparatus, appliances and machinery of any kind usually affixed to real or removable property, for use on a farm, but does not include the farm electrical system.

Agricultural implements are defined as tools, implements, apparatus, appliances and machines, of any kind not usually affixed to real or immovable property for use on or in connection with a farm; and vehicles for use in the business of farming and, without restricting the generality of the foregoing, include plows, harrows, drillers, seeders, cultivators, mowing machines, reapers, binders, threshing machines, combines, leaf tobacco, tying machines, tractors, movable granaries, trucks for carrying products of agriculture, equipment for bee-keeping, cream separators, churns, washing machines, spraying apparatus, portable irrigation apparatus, incubators, milking machines, refrigerators and heating and cooking appliances for farming operations or use in the farm home of a kind not usually affixed to real or removable property.

## (Finance)

The Act empowers a bank to lend money to wholesale purchasers or shippers of, or dealers in, products of agriculture upon security of such products and goods. Under the same authority, a bank may lend money to any farmer:

- (a) upon the security of crops grown or produced upon the farm;
- (b) for the purchase of seed grain or seed potatoes, on the security of those, and any crop to be grown therefrom;
- (c) for the purchase of fertilizer, on the security of the fertilizer and any crop to be grown on the land where the fertilizer is used.
- (d) for the purchase of binder twine, on the security of the twine and any crop on which the binder twine is used;
- (e) or to any person engaged in livestock raising, upon the security of livestock, but when such livestock is exempt from seizure under right of execution under any statutory law that was enforced on July 1, 1923, such security is ineffective;
- (f) for the purchase of agricultural implements, upon the security of such agricultural implements;
- (g) for the purchase or installation of agricultural equipment or a farm electrical system, upon the security of such agricultural equipment or farm electrical system.

The Act also permits the making of loans to the farmer for the repair of agricultural implements or equipment, alteration to the farm electrical system, erection or construction of fencing or drainage facilities, repairs or alterations to farm buildings and for all purposes stipulated by the Farm Improvements Loan Act. These loans are made on the security of agricultural implements except those implements which are, by any statutory law in force as of September 1, 1944, exempt from seizure under writs of execution.

## CO-OPERATIVE CREDIT ASSOCIATIONS ACT, R.S.C. 1970, C-29

*“An Act respecting co-operative credit associations.”*

This Act provides for the incorporation and organization of co-operative credit associations operating in more than one province. These associations operate under the supervision of the Federal Superintendent of Insurance. Before such an association may operate, it must, with the consent of the Minister of Finance, apply to the Minister of Consumer and Corporate Affairs for incorporation by a special Act. The objects, powers, and restrictions on the powers of the association are set forth in the Act.

FARM CREDIT ACT, R.S.C. 1970, F-2

*“An Act to provide for the extension of long-term mortgage credit to farmers.”*

This Act was brought into effect in 1959 to replace the Canadian Farm Loan Act. Its primary objective was stated by the Minister of Agriculture at the time:

“To assist Canadian Farmers in the voluntary reorganization of their industry into economic family farm units, each of which will be of sufficient size to produce, under the operation of the owner, the farm income necessary to meet all operating and maintenance costs, provide an adequate livelihood for the owner-operator and his dependents, and retire any required credit, with interest, within an appropriate term.”

It sets up the Farm Credit Corporation (F.C.C.) to provide long term mortgage credit under suitable terms and conditions to enable farmers to establish viable family farms. The powers and duties of the F.C.C. are stated in the following sections:

- (a) to take and hold mortgages on real and personal property and any other security;
- (b) to acquire, hold and sell or otherwise dispose of real property for its actual use in the operation and management of its business;
- (c) to acquire, by foreclosure or other proceedings or in any other manner, hold any real or personal property mortgaged to the Corporation and sell, mortgage, lease or otherwise dispose of such property;
- (d) to engage the services of appraisers, consultants, advisors or other persons and establish branches or employ agents as may be necessary in the conduct of its business, and make arrangements with the Director of the Veterans' Land Act for utilizing the services of any persons employed pursuant to the Veterans' Land Act in the administration of this Act;
- (e) to make compositions or schemes of arrangements, grant extensions of time and accept other security in substitution for any security held by the Corporation's agreement;
- (f) to take such steps and do all such things as appear necessary or desirable to protect the interests of the Corporation;
- (g) to prescribe forms of mortgages, agreements and other documents and execute the delivered deeds, grants, conveyances, transfers, releases, discharges, or other documents as may be necessary in the conduct of its business.

Two types of loans are available under the Farm Credit Act:

- 1) Under Part II loans may be made up to 75 percent of the appraised farm value not exceeding \$100,000 for any farmer alone or jointly with others in a single farming business.
- 2) Under Part III supervised loans may be made to young farmers up to 75 percent of the appraised value of land and chattels, not exceeding \$100,000, for any farmer alone or jointly with others in a single farming business. Special provision is made under this part for loans up to 90 percent of farm assets where the owner-operator is under 35 years of age and management will be above average. These borrowers are required to take life insurance under the Corporation's Group plan in an amount by which their loan exceeds 75 percent.

## (Finance)

Optional life insurance is also available under this Plan for all or part of the balance of the amount of loan made to borrowers as well as borrowers who obtain standard mortgage loans under Part II.

Under both parts, occupants must be principally occupied in farming and be of legal age to enter into a mortgage agreement. Individual applicants under Part III must be less than 45 years of age. Loans may only be made to Canadian citizens or those with landed immigrant status.

The interest rate is set by order in council and varies with the cost of money to the Corporation. The repayment period for both parts is up to 30 years.

Loans may be used to acquire farmland, to erect or modernize farm buildings, to purchase basic herd livestock and necessary farm equipment, to discharge liabilities, or for any other purpose that in the judgement of the Corporation will facilitate the efficient operation of the mortgaged farm.

### Small Farms Development Program

The Small Farms Development Program received federal legislative approval on June 29, 1972 (Privy Council 1972-1490). The Governor in Council authorized funding for the Program pursuant to appropriation Act No. 3, 1971, Department of Agriculture, Vote 15 (see S.C. 1970-71-72, c.46), and/or from funds available to the Farm Credit Corporation under Section 13 of the Farm Credit Act. The F.C.C. is to administer the land transfer plan under this Program.

The reasoning behind the Program is that the family farm is the most desirable and efficient type of farming operation. Thus, its overall aim is to help operators to develop more profitable family farms and to assist those who want to enter non-farm operations.

It consists of a land transfer plan (including a land purchase and resale program) and information, rural counselling and farm management consultation services.

The Program provides for the establishment of a National Small Farm Development Advisory Committee to recommend policy proposals to the Federal Minister of Agriculture. It also provides for the setting up of a joint committee with each province to co-ordinate federal and provincial services. The provinces generally handle the counselling and farm management services; the federal government provides a central information bank.

Details of the Small Farms Development Program can be obtained from local offices of the F.C.C., provincial extension services, or from Information Division, Agriculture Canada. Legislative details can be obtained through the Privy Council.

### FARM IMPROVEMENT LOANS ACT, R.S.C. 1970, F-3

*"An Act to encourage the provision of intermediate term and short term credit to farmers for the improvement and development of farms, and for the improvement of living conditions thereon."*

The Act authorizes the Minister of Finance to guarantee against loss, term loans made to farmers by chartered banks, and other lenders designated by the Minister, for a wide range of farm improvement projects.



## (Finance)

The main purposes for which Farm Improvement Loans can be made are:

- (a) the purchase of agricultural equipment, new and used.
- (b) the construction, repair or alteration of farm buildings.
- (c) the purchase of livestock.
- (d) the purchase of additional farm land.
- (e) general works for the improvement and development of a farm, including clearing and breaking of land, irrigation systems, farm electric, fencing and drainage works.

The repayment terms of loans for these purposes depend largely upon the amount borrowed and the particular circumstances of the borrower. The repayment period is subject to a maximum of fifteen years where a loan is granted for the purchase of additional land, and 10 years for all other purposes, except in the case of implement and vehicle loans where the maximum periods allowed are five and three years respectively. Farm Improvement Loans must be secured and borrowers are required to provide a certain portion of the cost of their projects from their own resources.

The maximum amount of guaranteed loans that a borrower may have outstanding at any one time is \$15,000 for land purchase and \$15,000 for all other purposes, subject to an overall limit of \$25,000. The base rate of interest payable under the Farm Improvement Loan Act is established at six month intervals on April 1 and October 1 in accordance with a formula established by Regulations (see Canada Gazette - Statutory Orders and Regulations). For the period April 1, 1973 to September 30, 1973 the base interest rates were 6 percent for land purchase loans, and 5 1/4 percent for loans other than land purchase. (The rate payable by the farmer is the sum of the base rate and one percent.)

### FARM SYNDICATES CREDIT ACT, 1970, F-4

*"An Act to provide for the extension of credit to farm syndicates."*

This Act is administered by the Farm Credit Corporation. It provides loans to groups or 'syndicate' of three or more farmers organized to share in the purchase and use of farm machinery, buildings and installed equipment.

The Corporation may make loans to a syndicate amounting to 80 percent of the cost, to a maximum of \$15,000 per member or \$100,000 whichever is less. Loans are repayable up to a period not exceeding 15 years for buildings and installed equipment and 7 years for mobile machinery. The interest rate is based on the cost of funds to the Corporation and its expenses in servicing loans.

The Corporation can lend to bands of Indians engaged in farming (defined as a syndicate under this Act), by agreement with the Minister of Indian Affairs and Northern Development.

FARMERS' CREDITORS ARRANGEMENT ACT, R.S.C. 1970, F-5

*"An Act to facilitate compromises and arrangements between insolvent farmers and their creditors (and also to simplify the operation of the Bankruptcy Act with respect to farmers generally)."*

This legislation was enacted in 1934 in response to the depressed state of agriculture in Manitoba, Saskatchewan and Alberta, where the indebtedness of many farmers, through no fault of their own, was beyond their capacity to pay. In the interest of retaining these farmers on the land as efficient producers, the Act aimed to provide means whereby individuals unable to pay their liabilities at the time they were due could make arrangements that would permit them to continue farming.

The farmer who finds himself in this position can make a proposal to his creditors (without the encumbrance of actually going into bankruptcy), for an extension of time, or for a scheme of arrangement of his affairs. His proposal is filed with an Official Receiver who is appointed to his judicial district under the Act. This move constitutes a stay of proceedings and no action can be taken against the farmer for 60 days except by order of the district court. The Receiver acts as a mediator between the farmer and his creditors. In the event that a compromise cannot be reached, the matter is taken to the district court which can formulate a proposal that it considers fair. Its decision is binding on both parties. In Manitoba, Saskatchewan and Alberta, however, there are Appeal Courts to which decisions can be taken.

The Minister of Consumer and Corporate Affairs is charged with the administration of this Act.

NATIONAL HOUSING ACT, R.S.C. 1970, N-10

*"An Act to promote the construction of new houses, the repair and modernization of existing houses and the improvement of housing and living condition."*

Federal assistance to housing is administered under the National Housing Act. The Act provides for the establishment of the Central Mortgage and Housing Corporation (C.M.H.C.) as a crown corporation, to handle federal housing activities under the Act.

The Central Mortgage and Housing Corporation is empowered to:

- a) Insure mortgage loans made by banks, life insurance, trust and loan companies, and other approved lenders, on new and existing housing.
- b) Make mortgage loans to borrowers unable to obtain insured loans from private lenders on new and existing housing.
- c) Make mortgage loans on low rental housing projects.
- d) Make loans to universities, cooperative associations, charitable corporations, vocational and technical groups of handicapped persons, provinces or their agencies, municipalities or their agencies, to assist in providing accommodation for resident students and married students and their families.
- e) Make loans to provinces, to municipal sewerage corporations to assist in the construction or expansion of sewage treatment projects for the control of water and soil pollution.

## (Finance)

- f) Provide insurance to banks on loans made for home improvement and guarantee returns from moderate-rental housing projects built by life insurance companies and private investors.
- g) Buy and sell insured mortgage loans, make loans to mortgage lenders on the security of mortgages and purchase the debentures of lending institutions.
- h) Assist provinces and municipalities to redevelop and rehabilitate urban renewal areas in accordance with an official plan.
- i) Make long-term loans to provinces, municipalities or their agencies, for the construction or acquisition of housing projects; arrange under a Federal-Provincial partnership agreement to build and operate public housing projects; make loans to assemble land for residential purposes; and provide grants to aid in meeting losses.
- j) Construct, own and manage housing projects on its own account and on behalf of Federal Government departments and agencies.
- k) Encourage the development of better housing and sound community planning and in carrying out this responsibility to undertake or arrange for studies and research on technical, economic and social aspects of housing.

## PRAIRIE GRAIN ADVANCE PAYMENTS ACT, R.S.C. 1970, P-18

*"An Act to provide for advance payments for Prairie grain prior to delivery thereof."*

Subject to this Act, the Wheat Board may make a payment to a producer as an advance on the initial payment for the threshed grain in storage (other than in an elevator), prior to delivery to the Board. No advance payment shall be made to a producer for a crop year, unless the application is made during the crop year and before June 1st in that crop year (or such date as may be prescribed), and is approved by the manager or operator of an elevator or other person authorized by the Board to make advance payments on its behalf. No person who has received an advance payment under this Act in any crop year and who is in default of it, is entitled to receive another advance payment in the same or subsequent crop year until this has been fully discharged.

An application for an advance payment shall show: the amount of the advance payment for which application is made, the kind and quantities of threshed grain in storage at the time of application, details of any previous advance payments, the number of the permit book under which he is entitled to deliver grain, and the kind and quantities of grain that have been delivered by the applicant to the Board. An application shall include authorization by the applicant that he will, as soon as quotas permit, deliver grain to the Board until the revenue from the initial payments on this grain is equal to the advance payment made to him.

Before an advance payment is made to a producer he shall state (in prescribed form) that upon default, he will repay to the Board the amount in default, with interest, at the appropriate prescribed rate, from the time of the advance payment. However, the recipient may, at any time prior to default, discharge his obligation to deliver grain to the Board or any part thereof, by payment to the Board.

Where two or more producers are entitled to deliver grain under one permit book, no advance payment shall be made unless all producers named in the permit book jointly make the application and execute the undertaking, and the advance payment shall be made to all such producers jointly or as they direct in the

application. An application by two or more producers may specify the shares of the advance payment to be paid to each.

Subject to this section, the amount of an advance payment to a producer shall be the quantity of threshed grain (irrespective of the grade) that the applicant has in storage (other than in an elevator) and undertakes to deliver to the Board, minus any undelivered grain for which a previous advance payment was made, multiplied by the advance payment rate per bushel prescribed for that kind of grain. The quantity of grain (of any kind) for which advance payments may be made, shall not exceed the quantity that would be deliverable under the applicant's current permit book, minus the quantity of grain delivered to the Board prior to his application and during the crop year in which the application was made. Not more than a total of \$6,000 shall be paid per application.

The Governor in Council is empowered to set advance payment rates for any grain, rates which would amount, in its estimation, to 2/3 of what the initial payment for that grain will be. It is also empowered to establish, on a continuing basis, provisions for emergency advance payments for unthreshed grain to a maximum of \$3,000.

A producer's indebtedness on a guaranteed loan obtained under Prairie Grain producers Interim Financing Act, 1956, will be deducted from his advance payment and paid to the bank, which will cancel any endorsement in the permit book made under that Act.

#### PRAIRIE GRAIN LOANS ACT, S.C. 1960, c.1 NC/NR (Department of Finance)

*"An Act to provide for short-term credit to Prairie Grain Producers"*

The purpose of this Act was to provide for the guarantee of bank loans made to Prairie grain producers during the 1959-1960 crop year. The Act makes provision for government-guaranteed bank loans on the security of both threshed and unthreshed wheat, oats, barley, rye, flaxseed or rapeseed grown in the designated Wheat Board area.

This Act has (at the time of writing) been neither consolidated nor repealed. There are outstanding contracts under the Act, at the conclusion of which it will be repealed. (It was listed as still being in effect in the Canada Gazette Quarterly Index for the quarter ending March 31, 1974.)

#### PRAIRIE GRAIN PRODUCERS' INTERIM FINANCING ACT, 1951 (2nd Sess.), c. 20; S.C. 1956, c. 1; S.C. 1957, c. 33

*"An Act to provide short-term credit to grain producers in the Prairie Provinces to meet temporary financial difficulties arising from inability to deliver all their grain."*

This Act is at the same stage as the Prairie Grain Loans Act.

The legislation authorizes the government guarantee of bank loans on farm-stored threshed western wheat (other than durum), oats, barley, and rye at five percent per annum, simple interest. The total amount lent to a farmer is not to exceed the lesser of half the returns from the estimated quantity for delivery or \$3,000, minus the aggregate, at the time of application for the loan, of the monies that have been paid or are

## (Finance)

payable for the sale of grain delivered by or on behalf of the borrower, under his current permit book.

The Act provides that half of the money payable to the producer for subsequent deliveries is to be paid to the bank to apply against repayment of the loans.

Government liability is limited to 15 percent where the aggregate principal amount of loans made by a bank does not exceed \$100,000 or 10 percent when it does. There is to be no liability on loans made after the aggregate principal amount of guaranteed loans by all banks reaches \$50,000,000.

The Governor in Council is authorized to make regulations to carry out the provisions of the Act.

### PRAIRIE GRAIN PROVISIONAL PAYMENTS ACT, S.C. 1960, c.2; S.C. 1969-70, c.10 NC/NR

*"An Act to authorize Provisional Payments for the 1959-60 crop year in respect of Unthreshed Grain in the Prairie Provinces."*

This Act is to be construed as one with the Canadian Wheat Board Act.

The Act authorized the Canadian Wheat Board to make payments for the 1959-1960 crop year in respect of future deliveries of unthreshed grain. These payments were made available to producers through their local elevator agents between February 1, 1960 and May 1, 1960. No person who was in default with respect to an advance payment under the Prairie Grain Advance Payments Act received a provisional payment under this Act. Before a provisional payment was made to a producer he agreed to thresh the grain in respect of which the payment was to be made before June 1, 1960 and to deliver it until one-half the initial payment therefor was equal to the payment made to him.

The amount of the provisional payment to the producer was one-half the unthreshed grain, irrespective of grade, multiplied by 50 cents, 20 cents and 35 cents per bushel for wheat, oats and barley respectively. The maximum quantity of grain on which payment was made would be the amount deliverable on a six-bushel-per-specified-acre quota, less the amount of grain delivered prior to the application and less any farm-stored grain. The maximum payment to a producer was \$1,500 under this Act and \$3,000 total under both this Act and the Prairie Grain Advance Payments Act for the 1959-1960 crop year. Procedures are outlined for dealing with payments in default.

In 1970 the Act was amended to authorize payments for the 1969-70 crop year. The amount of the provisional payment this time was one half of the unthreshed grain multiplied by \$1.00, 40 cents, and 70 cents per bushel for wheat, oats, and barley respectively. The maximum payment to a producer, under this Act, was \$3,000; and under both this Act and the Prairie Grain Advance Payments for the 1969-70 crop year, the maximum payment was \$6,000.



QUEBEC SAVINGS BANKS ACT, R.S.C. 1970, B-4

*"An Act respecting savings banks in the Province of Quebec."*

This Act applies to the Montreal City and District Savings Bank, La Banque d'Economie de Québec, and the Quebec Savings Bank. In addition to other activities, the bank may lend money and make advances to any person if the bank takes security and the power of sale. In certain cases, loans and advances can be made without security. The bank may lend money and make loans under the National Housing Act, 1954.

SMALL LOANS ACT, R.S.C. 1970, S-11

*"An Act respecting Small Loans"*

The purpose of this Act is to prevent circumventions by money lenders of the law relating to interest and usury. In such cases money lenders make charges against borrowers, which increase the cost of the loan without increasing the nominal rate of interest charged.

Under this Act a loan does not exceed \$1,500. (This refers to the sum the borrower actually receives after deducting all payments to the money lender). The cost of a loan means the whole cost to the borrower whether the cost is called interest or claimed as discount, deduction from an advance, commission, brokerage, chattel mortgage and recording deeds, fines, penalties on charges for inquiries, defaults or renewals and otherwise.

The cost of a loan shall not exceed the aggregate of:

- a) two percent per month on any part of the unpaid principal balance not exceeding \$300,
- b) one percent per month on any part of the unpaid principal balance exceeding \$300 but not exceeding \$1,000, and
- c) one-half of one percent per month on any remainder of the unpaid principal balance exceeding \$1,000.

Where a loan of \$500 or less is made for a period greater than twenty months or where a loan exceeding \$500 is made for a period greater than thirty months, the cost of the loan shall not exceed one percent per month on the unpaid principal balance.

Where the money lender has made a loan to a borrower and, while any part of the principal balance is unpaid, makes another loan to that borrower or his wife,

- a) if the aggregate of unpaid principal balances does not exceed \$1,500, the total cost of the loans shall not exceed the cost permitted under this Act for a single loan, and
- b) if the aggregate of unpaid principal balances exceeds \$1,500, the total cost of the loans shall not exceed the cost permitted under this Act for a loan of \$1,500 plus one half of one percent per month on any part in excess of that amount.

Every loan shall be payable in approximately equal installments of not more than one month each. On default in the payment of any installment, interest shall accrue on it at the rate fixed by the contract; but if

default continues beyond the date on which the last installment of the loan falls due, interest shall accrue at a rate not exceeding one percent per month.

The cost of any load or interest accruing after default shall not be compounded or deducted or received in advance.

The borrower may repay any loan before maturity on the date on which any installment falls due, without notice, bonus or penalty; and the borrower shall, when making such a repayment, pay the portion of the cost of the loan accrued to that date.

## 2. Income Assistance

### AGRICULTURAL STABILIZATION ACT, 1970, A-9

*"An Act to provide for the stabilization of the prices of agricultural commodities."*

The preamble of the Act gives the purpose of this legislation.

"Whereas it is expedient to enact a measure for the purpose of stabilizing the prices of agricultural commodities in order to assist the industry of agriculture to realize fair returns for its labour and investment, and to maintain a fair relationship between prices received by farmers and the costs of the goods and services that they buy, thus to provide farmers with a fair share of the national income."

Under the Act an agricultural commodity means:

- a) cattle, hogs, sheep, butter, cheese, eggs, and wheat, oats and barley not produced in the Canadian Wheat Board area; these are known as 'named commodities';
- b) any other natural or processed product of agriculture designated by the Governor in Council as an agricultural commodity for the purpose of the Act; and these are known as 'designated commodities'.

The Act provides for the setting up of a Stabilization Board which consists of three members appointed by Cabinet. This Board is responsible for any action necessary to stabilize prices of agricultural commodities and to ensure that the prices for these commodities bear a fair relationship to the cost of production.

A committee, appointed by the Minister and representing the farmers and farm organizations, meets twice yearly to advise the Board.

The system of guaranteed prices provided for in the Act is based on the ten-year moving average formula. The base price is to be established for each commodity, the price of which is to be established under the Act. This base price is the average price of that commodity and representative market prices as determined by the Board during the ten years immediately preceding the year for which the base price is calculated. For the nine 'named commodities' the Board stabilizes the price at a minimum 'prescribed' price of 80 percent of the base price or at such higher percentage as the Governor in Council decides. For other products 'designated' as eligible under the Act, the 'prescribed' prices are to be determined as an appropriate percentage of the base price. In the determination of the 'prescribed' price, the estimated average cost of production of the commodity is to be used as a guide, together with such other factors as the government considers necessary. Actions by the Board in relation to the nine 'named commodities' shall continue for a year from the date they are started; those for 'designated' commodities will apply for one year, or for such other period as is considered necessary.

## (Finance)

Subject to any regulations made by the government, the Agricultural Stabilization Board may carry out its functions of stabilizing prices by:

- (1) outright purchase of the commodity at the prescribed price;
- (2) a deficiency payment to producers equal to the amount by which the prescribed price exceeds an average market price determined by the Board to be appropriate;
- (3) any other method of payment, including fixed subsidy, approved by the Government.

The Board also has the authority to sell, package, process, ship, transport, export or ensure any product purchased by themselves, or enter into contracts or appoint agents to engage in activities to stabilize agricultural prices. The Board may also purchase at the request of any department of the Government of Canada any agricultural commodity required by such department. It is authorized to stabilize the price of any food product at a level proportionate to the prescribed price for the agricultural commodity concerned.

Working capital of the Board is a revolving fund of \$250,000,000 which is maintained at that level by annual appropriation if there is a loss on the year's operation, or by payment of any operating surplus to the Consolidated Revenue Fund.

### CROP INSURANCE ACT, R.S.C. 1970, C-36

*"An Act to provide for contributions and loans to the provinces in respect of crop insurance."*

This Act was originally passed in 1959 to assist the provinces in making all-risk crop insurance available to the farmer.

It enables the Minister of Agriculture, with the approval of the Governor in Council, to enter into agreement with any province to make contributions towards the operating costs of that province's insurance scheme. Risk-sharing agreements can also be made by way of loans or reinsurance of part of the province's liability whenever indemnities greatly exceed premiums and reserves.

Annual financial contributions payable to each province are limited to 50 percent of the province's costs in administering the scheme, and up to 25 percent of the premiums paid for insurance policies. (An amendment to enable the federal government to pay 50 percent of the premiums, with the province paying all administration costs, was given final reading in the House of Commons.)

The 1973 amendment enables any province that advances part of the crop insurance premium to be reimbursed up to 50 percent of the premiums paid on behalf of insured persons, if no contribution is required from Canada toward administrative expenses of the provincial crop insurance scheme.

If a farmer's crop is covered under a provincial insurance scheme, he is not eligible for assistance under the Prairie Farm Assistance Act.

In 1973-74, federal-provincial shared-cost agreements were operative with eight provinces: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Prince Edward Island. By the crop year (or fiscal year) 1974-75 agreements were operative with all ten provinces.

PRAIRIE FARM ASSISTANCE ACT, R.S.C. 1970, P-16

*"An Act to assist agriculture in the Prairie Provinces."*

The purpose of the Act is to assist farmers in the spring wheat area of Canada should they have a crop failure. This area includes the three Prairie Provinces and the Peace River District of British Columbia; it also includes certain crown lands in northern parts of Manitoba and Saskatchewan granted or sold after December 31, 1940. The definition of 'farmer' may be extended to include 'family-farming co-operations' and 'co-operative farming association'. For the purposes of this Act, 'grain' means wheat, oats, barley, rye, flax, and rapeseed.

Subject to this Act, the Minister of Agriculture may in any crop year award to any person who was a farmer from May 1 to November 1, in such year, a sum by way of assistance according to his cultivated land in a township with respect to which an application for assistance has been made by the rural municipality in which that township is situated, or in case there is no such rural municipality, by the government of the province in which the township is situated. However, no award under this Act will be made with respect to more than half of the cultivated land of the farmer up to a maximum of 200 acres.

The sums to be awarded by way of assistance under this Act are to be paid in December as follows:

- (a) if the average yield of wheat in the township is more than eight and not more than twelve bushels per acre, the award shall be ten cents per acre for each cent (not exceeding ten) by which the average price is less than 80 cents per bushel;
- (b) if the average yield of wheat in the township is more than five and not more than eight bushels per acre, the award shall be two dollars an acre;
- (c) if the average yield of wheat in the township is more than three and not more than five bushels per acre, the award shall be three dollars an acre;
- (d) if the average yield of wheat in the township is not more than three bushels, the award shall be four dollars an acre; and
- (e) if an area of cultivated land could not be seeded or summer fallowed in the year of award owing to natural causes beyond the control of the farmer of such land, and six or more adjoining sections of land, or adjoining settlement or river lots in one or more groups declared to be a township for the purpose of this Act, each includes part of this area, and if the area is at least one-third of the total cultivated lands in those adjoining sections or lots; the award with respect to such areas shall be four dollars an acre.

Sections having an average yield of 12 or more bushels an acre are excluded from award and from consideration in calculating the average yield for the purpose of ascertaining the amount of the award. Where a farmer has land in more than one eligible township, payment will be made first on eligible acreage in the township where the award is the highest. To qualify for the minimum award of \$200, a farmer must have at least half of his total cultivated acreage in an eligible area.

The Act provides for the establishment of a Board of Review, consisting of three members, whose duty it is to determine the eligibility of any township and any farmer or class of farmers for an award under this Act. Any decision of the Board is final.

Where less than 10 percent of cultivated area is sown to wheat, the yield of predominating grain may be substituted as an index.

## (Finance)

A low yield area contiguous to an eligible township, having an average yield of eight bushels or less, will be eligible for award; also a rectangular block of a section outside an eligible area, comprising not less than one-third of a township, will be eligible for award as though it were a complete township.

Provision is made for the deduction of a one percent levy from the price of grain purchased in the spring wheat area and transferred to the Canadian Grain Commission. The proceeds of this levy constitute the Prairie Farm Emergency Fund out of which awards made under this Act are paid.

### TEMPORARY WHEAT RESERVES ACT, R.S.C. 1970 c. 31 (2nd Supp)

*"An Act respecting the payment of carrying costs of temporary wheat reserves owned by the Canadian Wheat Board."*

Although this Act expired on March 31, 1974, for reference purposes the following outline is included here:

The Minister of Finance, out of the Consolidated Revenue Fund, is authorized to pay the storage and interest charges on wheat held by the Canadian Wheat Board in excess of 178 million bushels at the beginning of a crop year. The carrying rate charge is to be that in effect at the end of the preceding crop year. For the crop year which began on August 1, 1955, half the total amount due was to be paid when the Act came into force and the remainder in equal monthly amounts for the balance of the crop year. For any subsequent crop year the total amount payable is to be paid in equal monthly payments within the crop year.

The authority is to expire when stocks at the beginning of a crop year do not exceed 178 million bushels. The figure of 178 million bushels is the average figure for stocks in store on August 1, for the 15 years before 1951.

## 3. Income Tax

### INCOME TAX ACT R.S.C. c. 148 as amended.

*"An Act respecting income tax"*

Since 1952 there have been over two hundred and eighty-two revisions and amendments to the Statute. Because of this immense diversification, this outline will deal only with some sections that apply specifically to farmers. Every individual whose chief source of income is farming is required to pay, on or before December 31 of each year, two-thirds of the tax as estimated by him, or the actual taxable income for the year immediately preceding. The remainder of the tax must be paid on or before April 30 in the next year.

For taxation purposes farmers are permitted to compute their income on a cash basis, and to average their income every five years. Where farming is one of the chief sources of income, farm losses incurred in a taxation year may be deducted from any other income of the same taxation years. If the other income is not sufficient to absorb the loss, the balance of the loss may be deducted from income for the immediately preceding taxation year. If there is still a portion of the loss remaining, it may be offset against income in future years (not exceeding five).



## (Finance)

Rental income based on the tenant's gross production in the course of farming (such as share-crop rentals) is considered for the purpose of averaging to be income from farming. On the other hand, if a farm is rented to a tenant on any other basis, the income from this source is not considered income from farming for the purpose of averaging.

Straight-line depreciation is permitted only for assets acquired on or before December 31, 1971, but depreciation must be calculated on the diminishing balance basis on assets acquired after that date. Gains on disposal after December 31, 1971, of assets depreciated on a straight-line basis will be subject to tax under the capital gains provisions to the extent that the gain accrued after that date.

No animals may be added to a basic herd after December 31, 1971. Basic herds on hand at December 31, 1971, must be valued at fair market value on that date and the accrued gain to that date, if any, will be a tax-free capital gain when subsequently realized. Any profit or loss on the disposal of an animal from the basic herd, as measured against its value on December 31, 1971 (determined as the average value of all of the animals of that class in the basic herd at December 31, 1971), will be included or deducted in full in computing income from the farming business. Where a taxpayer has a basic herd of a class of animals and disposes of an animal of that class, he may elect to deduct from his basic herd the lesser of:

- (a) the number of animals of that class disposed of,
- (b) one-tenth of the animals of that class in the basic herd at December 31, 1971, or
- (c) the basic herd of that class of animal at the end of the immediately preceding taxation year.

The Income Tax Act, as now amended, allows farmers computing their income on a cash basis to add to their income the value of their livestock inventory (not including basic herd) on hand at the end of the taxation year in any amount up to the fair market value of the livestock on hand. Such amount must be deducted in computing income in the following year. The farmer may take advantage of this provision in respect of the year 1972 and each subsequent taxation year in which he has livestock on hand at the year-end.

The legislation is retroactive to January 1, 1972. Farmers who might have benefited from the provision but who did not apply it to their 1972 income tax returns may amend those returns to show inventories of livestock. Changes involving capital cost allowance claims and new election to average under section 119 will also be accepted where returns are being amended to show livestock inventories. Requests for such changes would be accepted up until September 30, 1973, or 90 days after the issue of an assessment notice, whichever was the later. Requests were to be made by letter to the farmer's local District Taxation Office.

A farming business may deduct any amount paid in the year for clearing land, levelling land or laying tile drainage for the purpose of carrying on the farming business. When through disaster a farmer suffers damage to depreciable property which is insured, he may charge as an expense the amount spent towards repairing this damage within a reasonable time after the damage, but he must include as income the proceeds of the insurance received.

Where a taxpayer's chief source of income is neither farming nor a combination of farming and some other source of income, a loss sustained from the business of farming is only allowed to reduce income of that year from all other sources to the extent of the lesser of:

- a) his farming loss for the year, or
- b) \$2,500 plus the lesser of:

- i) one-half of the amount by which his farming loss for the year exceeds \$2,500, or
- ii) \$2,500.

The portion of the net farming loss that is not allowed against other income of the year in respect of 1972 and following taxation years is a 'restricted farm loss'. Any part of a restricted farm loss from farming in the immediately preceding year or five years may be deducted, to the extent that it was not previously deductible.

Agricultural organizations and farmers' insurance companies are exempt from income tax, providing specific conditions are met. All income of credit unions and co-operatives is taxable effective January 1, 1972. The total exemption previously afforded credit unions, and the three-year exemption formerly available to co-operatives, have been repealed.

#### **4. Canada Pension Plan**

CANADA PENSION PLAN ACT, R.S.C. 1970, C-5

*"An Act to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors."*

The plan, as it applied to farmers and ranchers, can be divided into two main sections. The first is related to contributions which they make as employers and the second has to do with the contributions made on their own behalf.

With the exception of Quebec, everyone over the age of 18 and under 70 is required to make contributions to the total plan which will be deducted from his salary or wages. The employer's contributions is based on contributory salary and wages. Employee's contributions are matched by the employers and the full amount paid to the Receiver General of Canada. The required contribution is 3.6 percent of earnings up to a maximum of \$4,500. The retirement pension under the Canada Pension Plan does not begin automatically. Application must be made for it and payment can be made only after the application has been approved.

## IV. PRODUCTION

### 1. General

CRIMINAL CODE, R.S.C. 1970, C-34

*“An Act respecting the Criminal Law”*

Section 188 of the Criminal Code is under the jurisdiction of the Minister of Agriculture. It covers the pari-mutuel race track system of betting. It limits the number of races permissible per day, under this system, to ten, unless the Minister of Agriculture approves of additional races. These additional races must have been previously scheduled and cancelled due to unforeseen circumstances. There must be two cards for the races run that day, each having between eight and ten races; the second card not to commence before two hours after the first card has ended.

No pari-mutuel system of betting can be undertaken unless approved by the Minister of Agriculture and its operation supervised by someone appointed by him. Those conducting the race must pay the Receiver General between 0.5 and 1.0 percent of total bets (the exact amount to be determined by the Governor in Council).

It also fixes the percentage that the race track owners or those in charge of the race can retain from each pool of bets, for each race.

The Minister of Agriculture may make regulations regarding the supervision and operation of pari-mutuel systems, amounts payable to race track authorities per dollar wagered, the conduct of races including photo finishes, saliva testing, the possession and administering of drugs, and the provision of proper facilities for supervision and operation.

An account of regulations the supervision of pari-mutuel betting and the possession and use of drugs at race tracks can be found in SOR/73-163, Canada Gazette Part II.

Other sections of the criminal code which apply particularly to agriculture include:

|             |   |
|-------------|---|
| Section 190 | governs the conduct and management of a lottery scheme in an agricultural fair or exhibition.   |
| Section 298 | sets out penalties for persons who fraudulently take, receive, hold, purchase or sell cattle that are found astray; or deface brand marks on cattle.  |
| Section 389 | states that persons who willfully set fire to a building, a stock of vegetable produce or of mineral or vegetable fuel, a crop which is standing or cut down, or any wood, forest or natural growth, are guilty of an indictable offence; |
| Section 398 | provides penalties for persons who illegally interfere with the boundary markings of a piece of land;   |

## (Production)

|                  |   |
|------------------|---|
| Sections 400-403 | set out penalties for persons who attempt to kill, maim, wound, poison, injure or neglect any livestock or other animal or bird;                            |
| Section 404      | states the requirements for feeding and resting livestock in transit and the care and sanitary precautions to be taken by the railway or steamship company. |

### FERTILIZERS ACT, R.S.C. 1970, F-9

*“An Act for the regulation and control of agricultural fertilizers.”*

Fertilizers and supplements may only be sold in or imported to Canada if they have been registered, packaged and labelled as prescribed and if they conform to the standards as set down in the Act. The Governor in Council may make regulations respecting the registration, prescribing the standards and providing for the packaging and labelling of fertilizer and supplements. Provision is also made for the registration of fertilizer containing a pest control product.

Inspectors and analysts may be appointed to aid in the administration and enforcement of the Act. Inspectors are also empowered to examine and sample material regulated by the Act and to seize material where the provisions are being violated. No person is permitted to sell any fertilizer or a supplement which, when used according to directions, contains ingredients harmful to plant growth.

### HAZARDOUS PRODUCTS ACT, R.S.C. 1970, H-3

*“An Act to prohibit the advertising, sale, and importation of hazardous products.”*

This Act designates, in a Schedule, those products which are considered 'hazardous'. They include products or substances containing poisonous, inflammable, explosive or corrosive substances dangerous to health or safety; and to products for household, garden or personal use likely to be dangerous. It authorizes the Minister of Consumer and Corporate Affairs to make regulations concerning conditions and terms under which such products may be sold, advertised or imported. The Minister is also empowered to appoint inspectors, and to establish a Hazardous Products Board of Review. The Act does not apply to a cosmetic, device, drug or food within the meaning of the Food and Drug Act; nor does it apply to a control product within the meaning of the Pest Control Products Act.

## (Production)

### INSPECTION AND SALES ACT, R.S.C. 1970, I-14

*“An Act to regulate the inspection and sale of binder twine and to establish the weight of a bushel for certain commodities commonly sold by the bushel.”*

This Act requires that every ball of binder twine sold or offered for sale in Canada be properly and correctly labelled with the name of the dealer and the number of feet of twine per pound in the ball. Binder twine manufactured for export only need not be so labelled. Regulations are set out regarding the labelling of binder twine damaged by fire or water and offered for sale in Canada. Provision is made for inspection of this item in any premises, and the imposition of penalties for first and subsequent offences are included.

Under Part II of the Act the Minister of Agriculture may make regulations:

- (a) prescribing a standard of grade, class or quality for flax fiber and the names or marks that may be used to designate such grade, class or quality;
- (b) providing for inspection, grading and labelling of flax fiber, the form, issue and use of inspection certificates and prescribing inspection fees; and
- (c) generally for carrying out purposes or provisions of this Part.

Flax fiber may not be exported from Canada or from one province to another in Canada unless it is inspected, graded, marked or designated and labelled in accordance with the regulations made under this Part.

Legal weights are established for each bushel of various seeds, grains, field crops, and malt, and of bituminous coal and of lime in contracts for the sale and delivery of these articles.

### PEST CONTROL PRODUCTS ACT, R.S.C. 1970, P-10

*“An Act to regulate products used for the control of pests and the organic function of plants and animals.”*

A control product under this Act is defined as ‘any product, device, organism, substance or thing that is manufactured, represented, sold or used as a means for directly or indirectly controlling, preventing, destroying, mitigating, attracting or repelling any pest.’

The Act enables the Minister of Agriculture to make regulations regarding the manufacture, storage, sale, advertising, labelling, importing, exporting or other use of these products.



Inspectors are appointed to enforce the provisions of the Act.

#### PESTICIDE RESIDUE COMPENSATION ACT, R.S.C. 1970, P-11

*“An Act to provide compensation to farmers whose agricultural products are contaminated by pesticide residue and to provide for compensation awards.”*

This Act is administered by Agriculture Canada. The Act provides for compensation to a farmer where the sale of a product would be contrary to the Food and Drugs Act because of the pesticide residue, even though the pesticide was registered and used in accordance with recommendations made by the departments of agriculture of any province and approved or concurred by Agriculture Canada.

The Minister may make regulations concerning eligibility for compensation, the method of calculating the amount of compensation with respect to loss, terms and conditions of payments, maximum and minimum compensation, exclusion of certain products, and any other regulations necessary to carry out this Act.

The Minister may designate any qualified person as an inspector who may at any reasonable time enter any place or premises to carry out an investigation by opening any container or package and examining anything that the inspector has reason to believe will assist him in his investigations, and taking samples thereof.

Penalties are provided for, and the Governor in Council may appoint an Assessor and Deputy Assessors to hear and determine appeals for compensation under this Act.

The decision of the Assessor on any appeal is final and conclusive and not subject to appeal or review by any court.

## 2. Crops

#### DESTRUCTIVE INSECT AND PEST ACT, R.S.C. 1952 c.81

*“An Act to Prevent the Introduction of Spreading of Insects, Pests and Diseases Destructive to Vegetation”.*

This Act empowers the Governor in Council to make any orders or regulations necessary to prevent entry into Canada or spreading of any insect, pest or disease destructive to vegetation. It is empowered by a recommendation of the Minister of Agriculture to grant compensation to anyone who has had vegetation destroyed in this way (not exceeding two-thirds of value destroyed). This Act was repealed by the Plant Quarantine Act (S.C. 1968-69 c.35). However, authority has not been given for the latter to come into effect; consequently the Destructive Insect and Pest Act remains in force.

## FINANCIAL ADMINISTRATION ACT

### Destructive Pests Inspection Fees Regulations SOR/71-675

*“Regulations respecting the fees payable for the inspection of ships at anchor for insects or pests destructive to vegetation”.*

These regulations come under Section 13, paragraph (a) of the Financial Administration Act, (RSC 1970, F-10), regarding charges for services or use of facilities. They provide a schedule of fees for inspection of ships, all of which are payable by the person requesting the inspection.

## HAY AND STRAW INSPECTION ACT, R.S.C. 1970, H-2

*“An Act respecting the inspection and grading of hay and straw”.*

This Act empowers the Minister of Agriculture to appoint inspectors, to establish regulations, prescribe standards for and to certify by inspection certificate, the class, quality and/or condition of hay and straw.

## PLANT QUARANTINE ACT, R.S.C. 1970, P-13

*“An Act to prevent the introduction or spreading of pests injurious to plants.”*

This Act was passed in 1969 and, when in force, will repeal the Destructive Insect and Pests Act of 1910. It had not been proclaimed in force by December 31, 1973, nor subsequently. Therefore, pro tem, the Destructive Insect and Pests Act remains in force.

Its intent is to prevent the introduction and spreading of pests injurious to plants.  
The clauses include:

- (a) provisions for the introduction of improved plant quarantine methods and disinfection techniques.
- (b) authority to regulate the introduction and movement within Canada of plants and other matter infested or likely to be infested with a pest, or that constitute a biological obstacle to the effective control of pests.
- (c) authority to restrict from general or specific agricultural use properties or premises which are infested, as a measure to prevent or control the dissemination of injurious plants, pests and diseases.
- (d) Provisions for the awarding of compensation for any plant or other matter destroyed or prohibited from sale, or property restricted from use under this Act.
- (e) a provision for the establishment of plant health and crop certification standards of plants or other matter that are to be exported or transported from one area to another within Canada.

This Act is to be administered by the Canada Department of Agriculture.

### 3. Livestock

AN ACT FOR THE CONROL AND EXTIRPATION OF FOOD AND MOUTH DISEASE,  
S.C. 1952 c.1 N.C./N.R.

This Act empowers the Minister of Agriculture to cause any animal to be slaughtered to prevent the spreading of, or to extirpate, the 1952 outbreak of food and mouth disease in Canada.

The Minister may order that, in addition to any compensation paid under the Animal Contagious Diseases Act, further compensation shall be paid to the owners of animals slaughtered under this Act so that the total compensation will be fair and reasonable; such compensation to be determined in the manner prescribed by regulations to be made by the Governor in Council and after a report by the board of valutors to be appointed by the Governor in Council. Compensation, determined in the same manner, may also be paid in respect of any buildings, fodder, grain or other things order to be destroyed. This Act has not been consolidated or repealed.

ANIMAL CONTAGIOUS DISEASES ACT, R.S.C. 1970, A-13

*"An Act respecting infectious or contagious diseases affecting animals."*

The purpose of this Act is to give the Governor in Council and the Minister of Agriculture the right to regulate the segregation or extermination of animals in order to prevent the spreading of infectious diseases.

Under the Act every owner, breeder or importer of animals, and every veterinary surgeon shall, on perceiving the presence of an infectious or contagious disease in an animal under his care, give immediate notice to the Minister of Agriculture and to the nearest veterinary inspector of the Department of Agriculture. Provisions are made for quarantine, segregation or slaughter of animals affected by infectious or contagious diseases, and for the destruction of other infected property, and for the payment of compensation to the owners for animals or property destroyed under the provisions of this Act.

The compensation to be paid for the slaughter of animals shall be the market value of the animal (as determined by the Minister) not exceeding:

- (a) in the case of horses, such maximum amounts as may be prescribed by the Governor in Council for purebred and grade animals; and
- (b) in the case of cattle slaughtered as a result of any area or herd disease eradication program instituted because of the regulations, such maximum amounts as may be prescribed by the Governor in Council for purebred and grade animals, and if the sale of the carcasses is unlawful an additional amount for purebred and grade animals, equal to the value the carcasses would have if the sale were lawful, such value to be determined by the Minister or by some person appointed by him for that purpose.

Should the owner of the animal slaughtered feel that he has not received sufficient compensation he may appeal to the Assessor appointed under the Pesticide Residue Compensation Act. After notification of the compensation every owner must appeal within three months from that date.

## (Production)

The Minister of Agriculture may prohibit the import of animals and/or anything relating to contagious diseases, whether it be an animal, or an article containing same. (A 1974 amendment - P.C. 1974-522, March 12 - changed Section 16 of the Regulations to read that subject to subsection 2, "no person shall import into Canada honeybees from any country other than the U.S." except under specified conditions.) Specific regulations are set out regarding the cleaning of vessels, vehicles and premises used for carrying or accommodating contagious animals. Penalties for violation of the Act are stated.

FEEDS ACT, R.S.C1970, F-7

*"An Act to control and regulate the sale of feeds."*

'Feed' is defined as any substance or mixture of substances containing proteins, carbohydrates, fats, minerals, condiments or vitamins manufactured and sold for livestock consumption. No person may sell or import into Canada any feed unless it has been registered, packaged and labelled as prescribed and conforms to prescribed standards. Inspectors and analysts enforcing this Act may enter any place and sample any feed to which the Act applies, and examine books or other documents relating to feed. The inspectors may seize and detain any article by means of which any violation was committed.

The Governor in Council may make regulations covering registration of feeds, sampling, packaging, labelling and any other particulars necessary for carrying out the Act.

LIVESTOCK FEED ASSISTANCE ACT, R.S.C. 1970, L-9

*"An Act to provide assistance to livestock feeders in Eastern Canada and British Columbia."*

The Act establishes the Canadian Livestock Feed Board as a corporation consisting of not less than three nor more than five members appointed by the Governor in Council. It also provides for the setting up of an advisory committee to report to the Board and the Minister of Agriculture.

The objectives of the Board are to ensure:

- (1) the availability of feed grain to meet the needs of livestock feeders,
- (2) the availability of adequate storage space in Eastern Canada for feed grain to meet the needs of livestock feeders,
- (3) reasonable stability in the price of feed grain in Eastern Canada and in British Columbia, and
- (4) fair equalization of feed grain prices in Eastern Canada and British Columbia.

To carry out its objectives, the Board may make payments related to the cost of feed grain in Eastern Canada and payments related to the cost of feed grain transportation to, or for the benefit of, livestock feeders in accordance with the regulations. The board is authorized to conduct negotiations with any agency or person in feed grain storage or handling for the purpose of reducing or stabilizing the cost of storage and handling, or for obtaining adequate storage space. The Board may, by order, require any person engaged in the business of storing, handling and shipping feed grain in Eastern Canada and British Columbia, or any livestock feeder, to furnish in writing information relating to feed grain consumption, storage, handling, shipping or pricing in Eastern Canada and British Columbia.

## (Production)

The Board may, subject to regulations, buy or enter into contracts or agreements for the purchase of feed grain in Eastern Canada, British Columbia and the designated areas (Manitoba, Saskatchewan, Alberta and certain areas of British Columbia). It may obtain a licence to import feed grain and buy or enter into a contract or agreement for the purchase of feed grain from outside Canada.

The Governor in Council may make regulations concerning payments for feed grain storage and transportation and give authorization for the Board to exercise its powers.

Payments related to the cost of feed grain transportation and storage come out of an account in the Consolidate Revenue Fund. Payments shall not exceed \$10 million of the balance in the account. By agreement with the Governor in council, the Minister of Finance may make advances to the Board, but the total amount of such advances outstanding at any one time must not exceed \$50 million.

### LIVESTOCK PEDIGREE ACT, R.S.C. 1970, L-10

*"An Act respecting the incorporation of purebred livestock record associations."*

This Act provides for the incorporation of associations for the purpose of keeping a record of purebred domestic livestock of distinct breed, or several records each of a distinct breed of the same species of animals. Only one association for each distinct breed or for a number of breeds of the same species may be incorporated under this Act. Applications for registration are checked, and if in conformity with the Act and by-laws of the Association concerned, are sealed and approved by the Minister of Agriculture.

Associations incorporated in accordance with the provisions of this Act may affiliate for keeping livestock records, issuing certificates of registration and of transfer, and for performing such other services on behalf of the affiliated associations as are authorized by the articles of affiliation. Such an affiliation is to be known as the Canadian National Livestock Records.

The articles of its affiliation shall:

- (a) provide for a governing body known as the Canadian National Livestock Board which shall be representative of the affiliated associations;
- (b) provide for an administrative committee known as the Canadian National Livestock Record Committee;
- (c) provide for a Director of Canadian National Livestock Records;
- (d) provide for proper representation from the various affiliated breed associations to the Board; and
- (e) prescribe the power and authority of the Canadian National Livestock Records on behalf of the affiliated associations.

The Minister of Agriculture is responsible for administration of the Livestock Pedigree Act and is represented on the Canadian National Livestock Record Board and Committee by the Chief Registration Officer. It is the latter's duty to maintain contact with the breed associations and advise the Minister on proposed amendments or changes of the constitutions of the various breed associations, and to represent unincorporated associations. No amendment can become effective until approved by at least two-thirds of the associations and by the Department. Investigations of alleged irregularities are carried on and prosecutions, where necessary, are conducted.



## V. MARKETING

### 1. General

AGRICULTURAL PRODUCTS BOARD ACT, R.S.C. 1970, A-5

*“An Act to provide for the establishment of an agricultural products board.”*

This Act describes ‘Agricultural products’ as ‘livestock and livestock products, poultry and poultry products, milk and milk products, vegetables and vegetable products, fruit and fruit products, honey, maple syrup, tobacco, fibre and fodder crops, and any product of agriculture designated by the Governor in Council as an agricultural product for the purposes of this Act.’

The Agricultural Products Board Consists of not less than three and not more than seven members appointed by the Governor in Council.

Under the regulations, the Board may, with the authority of the Governor in Council and under the direction of the Minister of Agriculture:

- (a) sell or deliver agricultural products to the government of any country pursuant to any agreement made by the Federal Government with the government of such country, and for those purposes may purchase agricultural products and make such arrangements for the purchase, sale or delivery of agricultural products as it considers necessary or desirable;
- (b) purchase or negotiate contracts for the purchase of agricultural products on behalf of the government of any country;
- (c) buy, sell or import agricultural products;
- (d) by order require any person to give such information respecting agricultural products as may be necessary for the proper administration of this Act; and
- (e) store, transport, or process, or enter into contracts for the storing, transportation or processing of, agricultural products.

The Act further stipulates that the Board is not permitted to sell an agricultural product pursuant to subsections (a) and (c) at a price lower than the purchase price plus handling, storage, and transportation costs.

The Board is also empowered to buy and distribute agricultural products under the powers given to it by the Agricultural Stabilization Act.

AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT, R.S.C. 1970, A-6

*“An Act to assist and encourage co-operative marketing of agricultural products.”*

For the purposes of this Act ‘agricultural product’ means any kind of grain other than wheat, that is grown in the area defined by the Canadian Wheat Board Act as the designated area, milk and milk products, vegetables and vegetable products, livestock and livestock products, fruit and fruit products, poultry and poultry products, honey, maple syrup, tobacco and any other product of agriculture that might be so designated by the Governor in Council.

Under the terms of this Act the Minister of Agriculture may, with the approval of the Governor in Council, by agreement with a co-operative association of primary producers, processor or selling agency, undertake that if the average wholesale price of an agricultural product of any grade or quality produced during the year and delivered to a co-operative association, processor or selling agency under one only co-operative plan, is less than the initial payment together with the actual processing, carrying and selling costs, (which shall not exceed the maximum to be fixed under the agreement in the case of each grade of the agricultural product), there shall be paid to the co-operative association, processor or selling agency the amount, if any, by which the initial payment together with such costs exceeds the average wholesale price aforesaid, computed on the amount of the agricultural product of such grade or quality so delivered.

All payments made to primary producers under this Act must be approved by the Governor in Council.

The Minister of Agriculture may make regulations prescribing:

- (a) the manner in which the average price or average wholesale price of an agricultural product is ascertained;
- (b) the manner of ascertaining the proportion of primary producers to which the plan will apply, and the proportion of agricultural product to be marketed in the designated area.

No agreement may be made under this Act unless the co-operative plan applies to such a proportion of the primary producers within a certain geographical area, or to such a proportion of an agricultural product produced in such area, that the Minister is of the opinion that the marketing of the aforesaid agricultural products under the co-operative plan will benefit the primary producers.

AGRICULTURAL PRODUCTS MARKETING ACT, R.S.C. 1970, A-7

*“An Act to provide for the marketing of agricultural products in interprovincial and export trade.”*

Under this act, the Governor in Council may authorize any board or agency of any province to exercise powers for regulating the marketing of any agricultural product locally within that province, or regulate the marketing of such agricultural products in interprovincial and export trade.

## (Marketing)

The Governor in Council may grant to any board or agency (subject to this Act and any provincial marketing law) the following authority:

- (a) to fix, impose and collect levies or charges from persons engaged in production or marketing of the whole or any part of any agricultural product;
- (b) to use such levies or charges for the purposes of such board or agency including the creation of reserves and the payment of expenses and losses resulting from sale or disposal of such agricultural products;
- (c) the Governor in Council, may, by order, revoke any authority granted under this section.

Penalties are prescribed for those who violate the provisions of this Act.

### CANADA AGRICULTURAL PRODUCTS STANDARDS ACT, R.S.C. 1970, A-8

*"An Act to establish national standards for agricultural products and to regulate international and interprovincial trade in agricultural products."*

This Act, established in 1955, is an umbrella statute for standardizing and grading all agricultural products now covered by the Canada Dairy Products Act, the Fruit, Vegetables and Honey Act, the Livestock and Livestock Products Act, the Maple Products Industry Act and parts of the Meat and Canned Foods Act. It also includes leaf tobacco and fur-bearing animals raised in captivity.

Grades, packing and marking requirements apply to all these commodities.

### COLD STORAGE ACT, R.S.C. 1970, C-22

*"An Act to encourage the establishment of and to regulate Cold Storage Warehouses for the preservation of perishable food products."*

This Act provides that the Governor in Council may enter into contracts through the Minister of Agriculture with any persons for the construction, equipment and maintenance, in Canada, of public cold storage warehouses equipped with some mechanical refrigeration and suitable for the preservation of food products. Subject to Government specifications, a subsidy may be made, not exceeding 33 1/3 percent of the amount expended or approved in construction and equipment of a warehouse. The subsidy is payable on completion of the warehouse to the satisfaction of the Minister. To meet his approval it must be suitable for the preservation of perishable foods and food products.

FARM PRODUCTS MARKETING AGENCIES ACT, SC 1970-71-72, C-65

*“An Act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products”*

Part I of this Act provides for the establishment of a National Farm Products Marketing Council. Members are to be appointed by the Governor in Council in a manner that will ensure equal representation from Western, Central and Atlantic Provinces.

The duties of the Council are:

- a) to advise the Minister of Agriculture on all matters relating to the establishment and operation of agencies under this Act, with a view to maintaining and promoting an efficient and competitive agriculture industry.
- b) to ensure that agencies are maintaining efficient and competitive production and marketing practices and are sensitive to the interests of producers and consumers.
- c) to work with agencies in promoting more effective marketing of farm products in interprovincial and export trade.

The Council is empowered, on request by a group of producers or if directed by the Minister of Agriculture or on its own initiative, to

- a) inquire into the merits of establishing an agency for a particular farm product or group of products.
- b) inquire into the merits of broadening the authority of an existing agency.
- c) review an amendment to a marketing plan submitted to it by an agency and to review a proposed marketing plan submitted by an agency which does not have the power to implement it.
- d) review operation of agencies on an annual basis.
- e) review all orders and regulations proposed or made by agencies and, where it is satisfied that they are necessary for the implementation of a marketing plan that the agency is authorized to implement, to approve the orders and regulations.
- f) investigate complaints from any person who is directly affected by the operations of an agency.
- g) conduct studies into any matter relating to the marketing of a farm product in the provincial and export trade, and report its recommendations to the Minister.

The Council shall not recommend the establishment or broadening of the powers of an agency unless it is satisfied that a majority of the producers of the particular farm product or products are in favour of such action.

Part II of this Act provides for the establishment of a national marketing agency by proclamation of the Governor in Council, for any farm product in which export and inter-provincial trade is not related to the Canadian Wheat Board Act or the Canadian Dairy Commission Act, and where a majority of the producers of the farm product or products concerned are in favour of such an agency.

## (Marketing)

The proclamation establishing the agency shall set out the powers of the agency over the designated farm product and the terms of its marketing plan, and shall fix the number of members (not less than three and not more than twelve, the majority of whom are to be primary producers) and the manner of their appointment. Furthermore, the Governor in Council can make any changes in existing agencies he deems necessary (subject to the limitations mentioned above).

A proclamation which designates a farm product (other than eggs and poultry) shall not set out as a term of the marketing plan, that an agency is empowered to fix and determine the quantity in which any regulated product could be marketed in interprovincial or export trade.

Subject to the proclamation by which it is established, and to any subsequent proclamation altering its powers, an agency may

- a) buy any regulated product or similar product to which it applies and dispose of it as it sees fit.
- b) implement a marketing plan.
- c) submit to Council a marketing plan.
- d) undertake and aid in advertising, quality improvement, research into new markets and publication of information related to the product.
- e) designate bodies which it considers necessary to implement a marketing plan.
- f) make orders and regulations which it considers necessary to implement a marketing plan and to submit it to the Council for approval.
- g) charge fees, deal in property, establish branches, employ agents, invest money, and borrow on credit.

The Minister of Agriculture, with the approval of the Governor in Council, may enter into an agreement with any province enabling an agency to perform, on behalf of that province, functions relating to interprovincial trade of the relevant product or to any other matter agreed upon.

## FOOD AND DRUGS ACT, R.S.C. 1970, F-27

*“An Act respecting food, drugs, cosmetics, and therapeutic devices.”*

This Act makes specific provision for the keeping of records by manufacturers of foods, drugs or cosmetics, and prohibits the sale of foods, drugs and cosmetics that were packaged and stored under unsanitary conditions. There is no forfeiture of goods without the consent of the owner unless a judicial officer determines whether or not the goods are in conformity with the Act and whether the forfeiture should be undertaken.

Under the Act no person may sell food that is unfit for human consumption; that contains poisonous, harmful, filthy, putrid or diseased vegetable or animal matter; that was manufactured or packaged under unsanitary conditions, or is below prescribed standards; that is labelled, packaged, treated, processed, advertised or sold in a deceptive manner regarding its character, value, quantity, composition, merit or safety; or that is advertised as a treatment, preventive or cure for any of the 36 diseases, disorders or abnormal physical states mentioned in Schedule A (cancer, diabetes, epilepsy, venereal disease, tuberculosis, etc.)



## (Marketing)

The Act provides for inspection of articles and any necessary procedures to be followed as a result of the inspection.

The Governor in Council may make regulations concerning:

- (a) the adulteration of any food, foodstuff, or drug;
- (b) any or all stages of preparation, manufacture, packaging, labelling, importation and sale of foods, drugs, cosmetics and devices, to prevent misrepresentation to or to protect the health of the purchaser;
- (c) standards of composition, strength, potency, purity or quality of the items listed in (b); and
- (d) the manner in which the manufacturers, inspectors, and analysts must comply with the provisions of the Act.

These provisions do not apply to articles which are exported. Such articles are marked and certified so as not to contravene any law of the country of destination.

Penalties are set out for those who violate the provisions of the Act or regulations thereunder.

## 2. Crops

CANADA GRAIN ACT, SC 1970-1971-1972, c.7

*“An Act respecting grain”*

This Act supersedes the former Grain Act (RSC 1970, G-16). It replaces the Board of Grain Commissioners with the Canada Grain Commission. The Commission, consisting of three full-time members, is designed to establish and maintain standards of quality for Canadian grain and to regulate grain handling in order to ensure a dependable product for domestic and export markets.

It establishes an eastern grain standards committee and a western grain standards committee. The duty of each is to select and make recommendations to the Commission concerning grain grades and standards for those grades. A schedule, establishing certain ‘statutory’ grades, is set out at the end of the Act.

The Canada Grain Commission has jurisdiction over the inspection of grain; the issuing of licenses to elevator operators and grain dealers; and the regulation of procedures and facilities for transporting and storing grain.

## (Marketing)

The Act also provides for a tribunal to handle complaints and appeals regarding the grading of grain.

### CANADIAN WHEAT BOARD ACT, R.S.C. 1970 C-12

*“An Act to provide for the constitution and powers of the Canadian Wheat Board.”*

This Act provides for the establishment of a Canadian Wheat Board and an Advisory Committee, authorized to market Canadian-grown grain in interprovincial and export trade. The word ‘grain’ in the act includes wheat, oats, barley, rye, rapeseed and flaxseed in designated areas which comprise Manitoba, Saskatchewan, Alberta, the Peace River District and Creston-Wynndel Areas of British Columbia, and certain other parts of British Columbia and Ontario that the Board from time to time may designate as lying in the Western Division.

The Board is empowered to acquire, store, transfer, transport or dispose of grain, and to enter into a contract of agreements and employ whatever marketing agencies are required to implement the sale of grain in and outside of Canada.

Subject to direction by the Governor in Council, the Board may

- (a) prescribe the manner of application and issuing of permit books, and the recording of deliveries.
- (b) fix, from time to time, the quotas of each kind of grain, or any grade or quality thereof, that may be delivered by producers to elevators or railway cars, within any period it specifies, for any area it specifies, or for specified delivery points.
- (c) prohibit any elevator from delivering grain, or exclude any type of grain from delivery.
- (d) provide for the allocation of railway cars for the shipment of grain from any delivery point to any loading platform, elevator, or person at the delivery point.

A major function of the Board is to promote the sale of Canadian Wheat in world markets. For this purpose it may sell grain at what it considers a reasonable price.

Unless directed by the Governor in Council, the Board cannot buy grain other than wheat. The Board is authorized to undertake the marketing of wheat produce in the designated areas in interprovincial and export trade, and for such purposes shall:

- (a) buy all wheat produced in the designated areas, offered by a producer for sale and delivery to the Board at an elevator or in a railway car in accordance with conditions of the Act.
- (b) pay to any producer selling and delivering wheat produced in the designated area to the Board, a sum certain per bushel, basis in store at Thunder Bay or Vancouver to be fixed from time to time by regulation by, or with the assent of, the Governor in Council.

The Board is also authorized to pay the producer a sum per bushel for storage on the producer’s farm, equal to the amount payable for storage in a country elevator; and upon application by a producer, to issue him a deferred delivery permit for grain he was unable to deliver during the preceding crop year.

## (Marketing)

'Regulations of Interprovincial And Export Trade in Wheat' states that, except as permitted under the regulations, no persons other than the Board shall:

- (a) export from or import into Canada wheat or wheat products owned by persons other than the Board;
- (b) transport or cause to be transported from one province to another province, wheat or wheat products owned by a person other than the Board;
- (c) sell or agree to sell wheat or wheat products situated in one province for delivery in another province or outside of Canada; or
- (d) buy or agree to buy wheat or wheat products in one province for delivery in another province or for delivery outside of Canada.

The Governor in Council may extend the provisions regarding wheat to oats and barley.

### FRUIT, VEGETABLES AND HONEY ACT, R.S.C. 1970 F-31

*"An Act respecting fruit, vegetables and honey".*

This Act empowers the Minister of Agriculture to make regulations governing the inspection, quality, standards, shipping and licensing of dealers in these products, whether domestically produced or imported. The Minister may also establish standards of cleanliness for all premises where these products are assembled, graded or packed.

Every commission agent, dealer and broker who deals in fruits and vegetables shipped from a point outside the province in which he carries on business, must be licensed by the minister, and all persons who assemble or ship honey for export or interprovincial trade must be registered in accordance with the regulations.

No person may ship, transport, pack, advertise, display, offer for sale or sell any products that have not been graded and inspected. Packages must be packed and marked in accordance with the provisions of this Act. Inspectors may be appointed to enforce this Act.

### GRAIN FUTURES ACT, R.S.C. 1970, G-17

*"An Act to provide for the supervision and regulation of trading in grain futures."*

This Act was proclaimed in 1939 but has not been used. The Act includes trading in wheat, oats, barley, rye, flaxseed and corn. (Since the Act has not been used, and therefore not amended, rapeseed has not been included in it.) It empowers the Canadian Grain Commission, under authority of the Minister, to make regulations for registration of members of the Winnipeg Commodity Exchange (formerly the Winnipeg Grain Exchange) and the Winnipeg Grain and Produce Exchange Clearing Association Limited; also the inspection of books, records and trading transactions; and publication of information and statistics concerning the marketing of grain.

## (Marketing)

Three steps that can be taken by the Grain Commission when grain futures are threatened by undue fluctuations in price are specified in the Act.

The Commission may:

- (a) fix the minimum margin which shall be deposited in connection with trading and grain futures;
- (b) fix the maximum amount of any kind of grain that any person may, in any period of time, commit himself or be under commitment, by means of grain futures, to accept or deliver, unless such contracts are offset in quantity by the purchase or sale of cash grain or ownership of grain or grain products (ie. bona fide hedging transaction);
- (c) suspend from trading privileges any member of the Exchange if, in the opinion of the Board, such member has been guilty of a breach of this Act or any regulations made thereunder.

The Commission is also empowered to revoke or vary any rule or by-law of the Exchange and further to hear and determine grain exchange committee appeals arising out of the alleged failure by any person to make delivery of grain in accordance with the terms of a grain future contract.

## MAPLE PRODUCTS INDUSTRY ACT, R.S.C., 1970, M-2

*"An Act respecting the manufacturing, inspection and sale of maple products."*

This Act prohibits the manufacture or sale of any product that is a colourable imitation (any type or combination of sugar to which artificial maple flavour has been added) of a maple product, unless that product is clearly marked with the manufacturer's name and address, the ingredients of the product, and the words: 'artificially maple flavoured'. It also prohibits the manufacture or sale of any maple product that has been adulterated.

Use of the word 'maple' alone or in combination with any word, letter or syllable, on any label, is restricted to maple products, except as provided in the Act or in the trade name or in the description of artificial maple flavours and extracts.

Inspectors designated by the Minister of Agriculture or by the Minister of Consumer and Corporate Affairs are empowered to enforce this Act.

The Act further stipulates:

- a) that all manufacturing or packing plants are required to register with the Department of Agriculture in Ottawa.
- b) any manufacturing or packing plant shipping maple products from one province to another or exporting such products, is required to obtain a license (renewable annually) at a fee fixed by the Minister of Agriculture. A sugar camp wishing to carry out the above mentioned activities must also obtain a license which is issued without fee.
- c) records, in a form prescribed by the Minister, of all maple products purchased and sold, together with the name and address of the vendor or purchaser, shall be kept in each manufacturing or packing plant.

- d) containers of maple products for the retail trade shall have clearly and legibly affixed: 1) the common name of the product, 2) the net weight of its contents, 3) the name and address of the manufacturer or packer, or of the sugar orchard, and 4) the license number, if any.

SEEDS ACT, R.S.C1970, S-7

*“An Act respecting the testing, inspection and sale of seeds.”*

Under this Act, ‘Seed’ means the seed of any cereal, forage, legume, turf, root, vegetable, tobacco, fibre or oil bearing crop, growing, sold or represented for sale for the purposes of propagation.

Except as provided by the regulation, no person shall:

- (a) sell, import into Canada, or export out of Canada any seed unless the seed conforms to the prescribed standard and is marked and packed, and package-labelled as prescribed;
- (b) sell or advertise for sale in Canada or import into Canada seed of a variety that is not prescribed by the Minister for sale or importation into Canada.

The Governor in Council may make regulations prescribing:

- (a) the establishment of grades using the standards of the Canadian Seed Growers’ Association;
- (b) the terms and conditions and the manner in which seed crops may be inspected or seeds may be graded or tested;
- (c) the minimum standards of purity, germination, quality and disease for seeds;
- (d) the requirement of the packing and marketing of seeds and the marking and labelling of the packages thereof;
- (e) the terms and conditions under which variety names of seeds may be used;
- (f) the requirements for exempting any seed or any person from the operation of all or any of the provisions of this Act;
- (g) the taking of samples and testing of seeds for the purpose of this Act;
- (h) the fees that may be charged for any services provided under this Act.

The Minister may by order prescribe the varieties of seeds that may be sold in Canada or imported into Canada and the species of plants, the seeds of which he deems to be weed seeds for the purpose of establishing grades under this Act.



## (Marketing)

### WHEAT CO-OPERATIVE MARKETING ACT, R.S.C. 1970, W-9

*“An Act to encourage the co-operative marketing of wheat.”*

This Act applies to spring wheat grown in the provinces of Manitoba, Saskatchewan, Alberta and part of British Columbia.

The Act provides that the Minister of Agriculture may, with the approval of the Governor in Council and by agreement of any selling agency, undertake that, if the average sale price of all wheat of any grade grown in a crop year delivered to the selling agency under one only co-operative plan is less than a sum certain per bushel, to be fixed by the agreement in the case of each grade of wheat, but which sum certain shall, in the case of wheat grade No. 1 Manitoba Northern in store at Thunder Bay, be 60 cents, there shall be paid to such selling agency the amount, if any, by which the initial payment together with storage, carrying and transportation charges and operating expenses exceeds the average sale price aforesaid computed on the number of bushels so delivered. However, the initial payment shall not, in the case of wheat of any grade, exceed the sum certain per bushel aforesaid, fixed by the agreement for such grades of wheat. The maximum that may be paid hereunder shall not exceed the difference between the average sale price aforesaid and said sum certain per bushel fixed by the agreement for such grade of wheat computed as aforesaid.

No payment other than the initial payment shall be made to primary producers by a selling agency without the approval of the Governor in Council. He may, on recommendation of the Minister of Agriculture, also make regulations concerning the terms and conditions of the agreements.

## 3. Livestock

### CANADA DAIRY PRODUCTS ACT, R.S.C. 1970 D-1

*“An Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products.”*

The purpose of this Act is to establish a standard for national and international consumption of dairy products.

The Act

- (a) prescribes the terms and conditions on which products may be graded under this Part;
- (b) requires as a condition to the grading of a dairy product under this Part, that it has been produced in an establishment that complies with prescribed regulations and is registered in a prescribed manner;
- (c) prescribes fees that may be charged for grading;
- (d) prescribes the specification of packages, and the manner in which a dairy product may be packed, as a condition for the use of the name of a grade so established.

Provision is made for the appointment of such inspectors, dairy produce graders and other persons as are necessary for the administration and enforcement of this Act, and for penalties for violations of the Act or regulations.

CANADIAN DAIRY COMMISSION ACT, R.S.C. 1970, C-7

*“An Act to provide for the establishment of a Dairy Commission for Canada.”*

For the purposes of this Act ‘dairy products’ means milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice cream, malted milk, sherbet or any other product manufactured wholly or mainly from milk; and ‘milk’ means milk from cows and ‘cream’ means cream derived from such milk.

There shall be a corporation to be known as the Canadian Dairy Commission consisting of three members appointed by the Governor in Council.

The Minister shall appoint a Consultative Committee consisting of a chairman and eight other members.

The objects of the Commission are to foster efficient production of milk and cream to insure a fair return to labour and investment, and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality.

Subject to and in accordance with any regulation made under this Act, the Commission may:

- (a) purchase any dairy product and package, process, store, ship, insure, import, export, or sell or otherwise dispose of any dairy product purchased by it;
- (b) make payment for the benefit of producers of milk and cream for the purpose of stabilizing the prices of those products, which payments may be made on the basis of volume, quality, or on such other basis as the Commission deems appropriate;
- (c) make investigation into any matter relating to the production, processing or marketing of any dairy product, including the cost of producing, processing or marketing that product;
- (d) undertake and assist the promotion of the use of dairy products, the improvement and variety thereof and the publication of information in relation thereto; and
- (e) do all such acts and things as are necessary or incidental to the exercise of any of its powers or the carrying out of any of its functions under the Act.

For the purpose of carrying out any investigation the Commission has all the powers of a Commissioner appointed under Part I of the Inquiries Act.

The Governor in Council may make regulations concerning the marketing of any dairy product, including those

- (a) providing for the marketing of any dairy product on a quota basis;
- (b) designating the agencies through which any regulated product shall be marketed;
- (c) providing for the issue of licenses to persons engaged in producing or processing;
- (d) prohibiting persons from engaging in the marketing of any dairy product;

## (Marketing)

- (e) prescribing the books and records to be kept by persons engaged in production or processing;
- (f) authorizing the Commission to fix, impose, and collect levies or charges from persons engaged in the marketing of any dairy product;
- (g) providing for the seizure and disposal of any regulated product market in contravention of any regulation made.

The Governor in Council may make regulations requiring the registration of producers of milk and cream as a condition of any payment made by the Commission.

The Governor in Council may include on the Import Control List established under the Export and Import Permits Act, any dairy product, the import of which he deems necessary to control for the purpose of implementing any action taken under this Act to support the price of that dairy product, or that has the effect of supporting the price of that dairy product.

The Act provides for appointment of inspectors, and penalties for those who violate the provisions of this Act.

### CHEESE AND CHEESE FACTORY IMPROVEMENT ACT, R.S.C. 1970, C-17

*"An Act to encourage the improvement of cheese and cheese factories."*

This Act provides for the payment of a grant, not exceeding 50 percent of the amount actually expended for new material, new equipment and labor utilized in constructing, reconstructing and equipping cheese factories that are eligible for a subsidy under this Act. This grant is subject to two conditions: 1) that the cheese ripening room is efficiently insulated, or efficiently insulated and mechanically refrigerated, and 2) that each of such factories replaces two or more existing cheese factories which ceased operations before payment of the grant.

A grant may also be made of a sum not exceeding 50 percent of the amount actually expended for efficiently insulating, efficiently insulating and enlarging if necessary, and efficiently insulating and mechanically refrigerating, cheese ripening rooms of existing factories or new factories, and for new equipment and essential parts of cheese-pressing equipment required for the purpose of standardization of the diameter of the cheese.

The Governor in Council may make regulations governing the construction and equipment factories, the standardization of cheese presses, the terms and conditions of grants and premiums, and penalties for violation of any regulation.

The Act further provides that the Governor in Council may grant to cheese factories, for distribution among producers in accordance with regulations, a sum of one cent per pound on all cheese that scores 93 points on grading, and a sum of two cents per pound on all cheese that scores 94 or more points on grading or scoring by a grader.

HUMANE SLAUGHTER OF FOOD ANIMALS ACT, R.S.C. 1970, H-10

*“An Act to provide for the humane slaughter of food animals”*

This Act provides that regulations may be made by the Governor in Council which prescribe the manner of, and the methods and devices to be used in, the slaughter of food animals in federally-inspected plants. Neither meat nor meat products may move interprovincially or into export trade unless the food animal from which they were derived has been slaughtered as required by the regulations. The slaughtering establishment must also meet the requirements of the regulations.

Poultry slaughter does not come under the jurisdiction of this Act since the present methods of slaughter are considered satisfactory and poultry are not considered to be food animals. The requirements of the Act and regulations will not interfere with the ritual slaughter practices of certain religious groups.

LIVESTOCK AND LIVESTOCK PRODUCTS ACT, R.S.C. 1970, L-8

*“An Act respecting stockyards, livestock and livestock products and poultry production.”*

Under Part I of this Act (Stockyards), ‘livestock’ means horses, cattle, sheep, swine, and fur-bearing animals raised in captivity.

In Part II of this Act, ‘livestock’ means cattle, sheep, swine and fur-bearing animals raised in captivity and live poultry; ‘livestock products’ means meat, raw hides and skins, raw furs, dressed poultry, eggs or wool; and ‘poultry’ means domestic fowl, guinea fowl and pigeons.

Part I enables the Governor in council to make regulations regarding:

- (a) The manner of construction, equipment and operations of stockyards.
- (b) The way in which sales transactions are presented, and the manner of recording receipts, classifications, weights, and purchase prices of livestock.
- (c) The manner of calf inspection and disposal.
- (d) The manner in which shippers’ trust accounts are kept by cooperative associations and commission merchants.
- (e) The way in which livestock consigned for sale or commission may be pooled.

Part II provides that the Governor in Council may, with respect to any livestock or livestock product produced within or imported into Canada, make regulations:

- (a) prescribing standard of quality and grades;
- (b) respecting inspection, grading, packing, packaging, labelling, branding and marking;
- (c) respecting the shipping and transporting of any livestock or livestock product;
- (d) prescribing from time to time the quantity, quality, grade or class that may be exported, and the quality, grade or class that may be imported;

## (Marketing)

- (e) providing for the establishment of a service for the marketing of livestock on a basis of carcass grades;
- (f) requiring any person exporting any livestock or livestock product to obtain a license;
- (g) requiring any person engaged in the grading of any livestock or livestock product to obtain a certificate;
- (h) prescribing the grades of eggs that may be broken or dried in an egg-drying plant.

This Part also requires that all livestock and livestock products shall be made available for inspection and grading as required by the regulations, assigns powers to the inspectors and provides penalties for those who violate the provisions of the Act.

Under Part III of this Act, dealing with poultry production, 'poultry' means domestic or wild fowl or birds. This Part provides that the Governor in Council may make regulations:

- (a) prescribing the Dominion Poultry Improvement Program for the improvement of poultry stock and the eradication of disease therein;
- (b) prescribing the requirements for the production of chicks and poultry and under such program, prescribing the terms for chicks and poultry so produced, and respecting the use of such terms;
- (c) prescribing where and when the Dominion Hatchery Approval Policy and the regulations thereunder, under the Dominion Poultry Improvement Program, shall be in force;
- (d) prescribing measures for sanitation in or about hatcheries;
- (e) prescribing measures for inspection, banding and marketing of chicks and poultry;
- (f) prescribing the method of applying the pullorum test and the period during which it shall be deemed effective.

No person shall operate a hatchery within a province in which the Dominion Hatchery Approval Policy has been proclaimed unless he has secured a permit from the Minister. The shipment of chicks from any place in Canada into any province in which the Dominion Hatchery Approval Policy has been proclaimed under this Act is forbidden unless such chicks have been produced and labelled as required under such Policy, and, if such province has made pullorum testing a requirement of its flock approval policy, unless such chicks were produced in approved hatcheries using only eggs from flocks approved under a provincial flock approval policy which, in the opinion of the Minister, requires pullorum tests as stringent as those of the province into which such chicks are to be shipped.

## LIVESTOCK SHIPPING ACT, R.S.C. 1970, L-11

*"An Act respecting the shipping of livestock."*

For the purposes of this Act, a 'ship carrying livestock' means any ship employed in carrying livestock from any port in Canada to any port out of Canada, not being a port in the United States, St. Pierre or Miquelon, Bermuda, the West Indian Islands, Mexico or South America.



## (Marketing)

This Act empowers the Governor in Council to make regulations for the health, security and safe carriage of livestock on ships, to prescribe a fee to be paid on each head of livestock shipped before clearance is granted, and to appoint inspectors to carry out the provisions of this Act.

No customs officer may grant a clearance to any ship carrying livestock until he receives the certificate of an inspector certifying that the ship is seaworthy and meets all the requirements of the Act and regulations concerning the space and arrangements for the healthy and safe carriage of livestock and the number on board.

Penalties for violation of the Act are provided.

### MEAT AND CANNED FOODS ACT, R.S.C. 1970, M-6

*“An Act respecting the inspection of meats and canned foods.”*

All regulations made pursuant to this Act regarding the inspection of meats have been revoked and have been annexed by the Meat Inspection Act.

The Act makes compulsory the inspection of all animals intended for slaughter in an establishment or entering slaughtering areas of an establishment. Diseased animals must be slaughtered under the supervision of an inspector and these carcasses, as well as any other carcasses or parts thereof unfit for food, are to be disposed of. Farmers doing their own slaughtering are not subject to inspection provided the carcasses are not intended for export. Under the Act, all fish, fruits and vegetables or products derived therefrom, or any food product used in any establishment where they are prepared for export, must be sound, wholesome and fit for human consumption as food.

### MEAT INSPECTION ACT, R.S.C. 1970, M-7

*“An Act respecting the inspection of meat and meat products entering into international and interprovincial trade.”*

Proper handling of meat and standards of quality are provided for in this Act, including a directive that only germicides, insecticides and rodenticides approved by the food and drug director shall be used. The Act further deals with sanitary and health matters and provides that meat products exported or moved from one province to another must be prepared in a registered establishment using only animals inspected for and after slaughter, and they must be packed and marked as prescribed by standards. Imported meat products must be inspected according to the laws of the country of origin and are to be packed and marked also to conform to prescribed standards.

Regulations may be made providing for registration of establishments, for inspection, for establishment of standards for packaging and marking requirement.

Administrative provisions concern the appointment and powers of inspectors, the seizure of meat products and penalties for infringements of the Act and regulations.

## (Marketing)

The regulations revoke those previously in effect under the Meat and Canned Foods Act.

### MILK TEST ACT, R.S.C. 1970, M-13

*"An Act to provide for the Testing of Glassware used in Connection with Milk Tests."*

The purpose of this Act is to ensure that every test bottle, pipette and measuring glass used in connection with the testing of milk or cream is to be tested for accuracy of measurement and accuracy of the percent scale marked thereon. Only those bottles, pipettes or measuring glasses which have been authorized by the Department of Agriculture can be used. It further states that no person is permitted to sell or offer to sell any bottles other than those prescribed by the regulations.

Nothing in this Act applies to burettes or measures used in connection with the Babcock Milk Test for measuring of sulfuric acid.

## VI. TRADE

### 1. Export Assistance

#### EXPORT DEVELOPMENT ACT, R.S.C. 1970, E-18

*"An Act to establish the Export Development Corporation and to facilitate and develop export trade by the provision of insurance, guarantees, loans and other financial facilities."*

The Export Development Corporation consists of a Chairman and six other Directors who shall be appointed from among persons employed in the Public Service of Canada. Five Directors from outside the Public Service of Canada shall be appointed by the Governor in Council to hold office for a term not exceeding five years.

The Executive Committee consists of a President, (appointed by the Governor in Council from among the Directors), the Chairman and three other directors selected by the Board of Directors. The Corporation is established for the purpose of facilitating and developing trade between Canada and other countries. To accomplish this it is empowered to acquire and hold or sell real property; take, hold or sell mortgages; establish offices in any place inside or outside Canada to carry out its activities; and do all other things conducive to effective performance of its business.

The authorized capital of the Corporation is \$75 million, divided into 750,000 shares of the part value of one hundred dollars each.

The maximum borrowings of the Corporation must not exceed an amount equal to ten times the aggregate of the subscribed capital and the amount credited to the capital surplus account of the Corporation.

The Corporation can insure both the exporter and the importer as well as lend money to the foreign exporter, if they consider it a good risk and that it will enhance trade.

The Corporation can insure the Canadian exporter against risk of loss in a foreign country by reason of:

- (a) war, riot, insurrection, revolution or rebellion in that country;
- (b) the expropriation, confiscation or deprivation of the use of, or the arbitrary seizure of, any property by a government in that country.

The liabilities incurred under such insurance contracts outstanding must not exceed \$500 million.

## 2. Customs and Excise

CUSTOMS ACT, R.S.C. 1970, C-40

*“An Act respecting the customs.”*

This Act sets out the rule governing the movement of goods across the Canadian border or a port of entry, and establishes the value of duty for those goods imported, determined in accordance with the provisions of the Act. Duty is based on the fair market value at the time and place from which the goods were shipped directly to Canada under existing competitive conditions.

Basically, this Act protects local produce markets and manufacturing. There are provisions to prevent any dumping and flooding of the Canadian market by other countries. For example, where the Minister of National Revenue finds that prices of manufactured goods and fresh fruits and vegetables in the country of export have fallen to abnormally low levels, as a result of the advance of the season or the marketing period, duty is then appraised on the basis of the average price of goods sold for domestic consumption in that country over a specified period prior to export.

There are specific regulations referring to:

- (a) cattle slaughtered and grain ground in bond;
- (b) exemption from duty of any Canadian grain or grain products taken to the United States to be ground and brought back into Canada within 10 days after leaving this country;
- (c) control of the quantities of any goods so taken out or brought in at any time by any person and the manner of establishing the claim to exemption;
- (d) any articles, whether natural products or products by manufacture, used as material in Canadian manufacturing.

CUSTOMS TARIFF ACT, R.S.C., C-41

*"An Act respecting the duty of customs"*

This Act, unlike the customs act which deals primarily with the day-to-day operation of customs, sets out the rates of customs duties with regard to (1) 'British Preferential Tariff'; (2) 'Most-Favoured-Nation Tariff'; and (3) the 'General Tariff' which applies to goods not entitled to admission under the Most-Favoured-Nation Tariff or under the British Preferential Tariff. A fourth category is under discussion at the present time, which will probably be called the General Preferential Tariff. This tariff was originated by the United Nations Conference on Trade and Development, and its purpose is to give preferential treatment to 'have not' countries.

Section 10 of the Act provides that, by order in council, reduction of duties on goods imported into Canada from any country may be granted as compensation for concessions extended by any such country. Accordingly, concessions granted or secured under the General Agreement on Tariffs and Trade (GATT) become part of the effective Canadian tariff schedule when authorized for inclusion therein by an order in council; they also become effective if they are contained in an amendment to the Customs Tariffs Act. Provision is made for the payment of drawbacks of Customs duties on the materials set forth in Schedule B to this Act when used for consumption in Canada for the purposes specified in that schedule. These include materials used in the manufacture of farm machinery and equipment.

EXCISE ACT, R.S.C1970, E-1

*"An Act respecting excise".*

This Act deals primarily with distilleries, breweries and tobacco. The Act, which originated in 1867, provides for the payment of excise rates and duties listed in the Schedule of the Act. This Schedule sets out the duties of excise imposed on spirits distilled in Canada, on imported spirits, on all beer or malt liquor brewed in or imported into Canada, and all malt brought into a brewery in Canada, on all tobacco and cigars manufactured in Canada, and on Canadian raw leaf tobacco when sold for consumption.

A farmer who grows and processes tobacco for his own use on his own farm-land, not for sale, does not require a license. Should the tobacco grown on a farm exceed 30 pounds for each adult member of the family it will be subject to the excise duty.

EXCISE TAX ACT, R.S.C. 1970, E-13

*"An Act respecting Excise Taxes"*

The government imposes, levies and collects a sales tax of 9 percent on the sale price of all goods produced or manufactured in Canada or goods imported into Canada.

This sales tax does not apply to feed supplement for poultry and livestock, rodent poisons, fruit tree guards or material used in grain and seed cleaning machines.

The tax imposed by Section 30 of the Act excludes some agricultural equipment and most foodstuffs from the sales tax referred to in Schedule 3 of the Act itself.

EXPORT AND IMPORT PERMITS ACT, R.S.C. 1970, E-17  
(Industry, Trade and Commerce)

*“An Act respecting the export and import of strategic and other goods.”*

Under this Act the Cabinet authorizes the Minister of Industry, Trade and Commerce to establish, re-establish, amend or vary export, import and area controls.

The Minister is authorized to establish an Export Control List and an Import Control List, including therein any article deemed necessary for control. The Import Control List may be used (a) to ensure the best possible supply and distribution of an article that is scarce in world markets or subject to control in the country of origin; (b) to implement action taken under the Agricultural Stabilization Act, the Agricultural Products Cooperative Marketing Act, the Agricultural Products Board Act, or the Canadian Dairy Commission Act, to help support price of the article, or (c) to implement an intergovernmental arrangement or commitment. The Act also authorizes an Area Control List, a list of countries to which it is deemed necessary to control the export of any goods. These three lists may be revoked, amended, varied or re-established.

The Minister of Industry, Trade and Commerce may issue a permit to any resident of Canada applying therefor, and may amend, suspend, cancel or re-instate their permit to import or export goods included in a Control List or to export them to a country included in an Area Control List, in such quality and quantity, and under such terms and conditions as are stated in the regulations.

A permit must be obtained for the import or export of any goods listed in the Export or Import Control Lists and for any goods exported or imported from any country included in the area of control. Further, this permit may be used only by the person to whom it was originally issued. The Governor in Council may also make regulations concerning:

- (a) the information to be supplied by applicants and the procedures to be followed in obtaining, issuing or granting permits, certificates and other authorizations;
- (b) the duration of these authorizations and the terms and conditions upon which they may be issued or granted;
- (c) the certification, authorization or other control of any in-transit movement of goods entering or being exported from any Canadian port or place;
- (d) the exemption of any persons or goods or classes thereof from the operation of the provisions of this Act; and
- (e) directions necessary to carry out the purposes and provisions of the Act.

TARIFF BOARD ACT, R.S.C. 1970, T-1

*“An Act to provide for the appointment of a tariff board.”*

The Act sets out the constitution and duties of the Tariff Board and authorizes it to hear appeals under the Customs Act or Excise Tax Act. Board decisions in these cases must be published in the Canada Gazette. The Governor in Council may empower the Board to hold an inquiry under Section 14 of the Customs Tariff or under the authority of the Combines Investigation Act into combinations which enhance prices, or direct it



## (Trade)

to inquire into and report on any matter relating to the trade or commerce of Canada.

This Act gives the Ministry responsible the power to demand from the Board a full inquiry for both domestic and imported goods into:

- (a) the price and cost of raw materials in Canada and elsewhere, and the cost of transportation thereof from the place of production to the place of use or consumption;
- (b) the cost of efficient production in Canada and elsewhere, and what increases or decreases in rates of duty are required to equalize the differences in the cost of efficient production;
- (c) the prices received by producers, manufacturers, wholesale dealers, retailers, and other distributors in Canada and elsewhere;
- (d) all conditions and factors, including the cost, efficiency and conditions of labor, which affect the cost or production and manufacture and the price to consumers in Canada, as compared with other countries; and
- (e) the effect that an increase or decrease of the existing rate of customs or excise duty upon a given commodity might have upon industry or trade, and the extent to which the consumer is protected from exploitation.

### 3. Trade Agreements

A listing of Canada's trade agreements, which are embodied in Acts, is found in The Table of Public Statutes Part II (Acts not consolidated in RSC 1927, 1952 or 1970) located at the back of Revised Statutes of Canada 1970. These are bilateral agreements which, with two exceptions, were passed or amended before the Second World War.

Tariff regulations on products entering Canada, whether subject to the British Preferential Tariff, the Most Favored Nation Tariff or General Agreement on Tariffs and Trade (GATT), are found in the Customs Tariff Act and in Statutory orders and regulations pursuant to it. The Act sets out the nations that qualify under each of these tariff categories and provides a schedule of duty rates and of goods subject to drawback.

Formal trade agreements have recently been concluded with Australia and New Zealand.

#### THE AUSTRALIAN TRADE AGREEMENT ACT, S.C. 1960, c.17

*"An Act respecting a certain trade agreement between Canada and Australia".*

Under the Agreement, Canada grants to the goods enumerated in Schedule A, being the produce or manufacture of Australia, when imported into Canada, the tariff rates indicated in the Schedule. All other goods, the produce or manufacture of Australia, when imported into Canada, obtain the benefits of the British Preferential Tariff.

Similarly, Australia grants to the goods enumerated in Schedule B, being the produce or manufacture of Canada, when imported into Australia, the tariff rates indicated in the said Schedule B. All other goods, the

produce or manufacture of Canada, when imported in Australia, obtain the benefits of the British Preferential Tariff.

Notwithstanding the provisions of Articles 1 and 2, should either Government, in order to implement a recommendation of its Tariff Board, wish to apply a rate of duty to the goods of the other country in excess of that provided for under the terms of those Articles, it shall enter into consultation with the other Government for the purpose of seeking a mutually satisfactory adjustment.

In the event that agreement cannot be reached within a period of 90 days after the commencement of consultation, the initiating Government shall be free to withdraw the concession.

If either Government considers that any product is being imported from the other country under such conditions as to cause material injury to producers of like or directly competitive products in the country of importation, the two Governments shall, after notice has been given in writing, consult together to consider measures to prevent further injury. If a mutually satisfactory solution does not result within 60 days from the commencement of these consultations, the relevant provisions shall not apply to the product specified in the notice.

This Act shall remain in force for a period of three years from the date of its coming into force and thereafter until 6 months from the day on which either Government shall have given written notice to the other Government of its intentions to terminate the Agreement.

NEW ZEALAND TRADE AGREEMENT ACT, S.C. 1932, c.34

Amendments: SC. 1932-33, c.44; SC. 1959, c.12; SC. 1970-71-72, c.14

*"An Act respecting a certain Trade Agreement between Canada and New Zealand"*.

The Agreement aims to facilitate and expand commercial relations between the two countries.

Subject to the provisions of the Customs Tariff Act, New Zealand produced goods entering Canada (which are enumerated in Schedule A of this Act) shall be charged a duty rate no higher than that of the British Preferential Tariff (see amendment to schedule - 1959, c.12). All other goods entering Canada are subject to the British Preferential Tariff.

Similar provisions are made for Canadian produced goods entering New Zealand. They are enumerated in Schedule B of this Act.

Canada's anti-dumping legislation applies to New Zealand in the same way that it applies to the signatories to GATT. Canadian goods are not subject to New Zealand's anti-dumping legislation unless it so decides in the future.

No rates of duty for goods enumerated in the schedules shall be imposed or increased, except by mutual agreement, and only after giving three months notice.

The Act provides for the establishment of a Joint Canada - New Zealand Consultative Committee to advise on the operation of this Agreement and on any other matter of economic interest between the two countries.

The Agreement also applies to the Cook Islands, Niue and the Tokelau Islands.

#### 4. International Conventions

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS ACT, R.S.C. 1970, F-26

*“An Act for carrying into effect the Agreement for a Food and Agriculture Organization of the United Nations between Canada and certain other Nations and Authorities.”*

This Act approves the Constitution of the Food and Agriculture Organization and empowers the Governor in Council to make such appointments, establish such offices, make such Orders in Council and do such other things as appear necessary for carrying out the provisions of the Constitution.

The Constitution states that the Food and Agriculture Organization was established to promote the common welfare of the Member Nations by furthering separate and collective action for the purposes of ‘raising levels of nutrition and standards of living of the peoples under their respective jurisdictions, securing improvements in the efficiency of the production and distribution of all food and agricultural products, bettering the condition of rural populations, and thus contributing toward an expanding world economy’.

The functions of the Organization are to collect, analyze, interpret, and disseminate information relating to nutrition, food, and agriculture, and to promote and recommend national and international action with respect to:

- (a) scientific, technological, social, and economic research and the improvement of education and administration relating to nutrition, food and agriculture;
- (b) the conservation of natural resources and the adoption of improved methods of agricultural production and of processing, marketing, and distributing food and agricultural products;
- (c) the adoption of policies for the provision of adequate agricultural credit, national and international;
- (d) the adoption of international policies with respect to agricultural commodity arrangements.

It is also the function of the Organization:

- (a) to furnish such technical assistance as governments may request;
- (b) to organize, in co-operation with the governments concerned, such missions as may be needed to assist them to fulfil the obligations arising from their acceptance of the recommendations of the Conference of the Food and Agriculture Organization of the United Nations and of this Constitution.

#### THE INTERNATIONAL PLANT PROTECTION CONVENTION

The International Plant Protection Convention was adopted at the Food and Agriculture Organization meeting in Rome in the fall of 1951. Canada ratified it on June 16, 1953.

Article I(1) of the Convention reads:

‘With the purpose of securing common and effective action to prevent the introduction and spread of pests and diseases of plants and plant products (unmanufactured and milled material of plant origin) and to promote measures for their control, the contracting Governments undertake to adopt the legislative, technical and administrative measures specified in this convention and in supplementary agreements pursuant to Article III.’

The provisions of the convention also extend to storage places, containers, conveyances, packing material and soil used in the international transportation of plants and plant products.

## VII. TRANSPORTATION

### AERONAUTICS ACT, R.S.C. 1970 A-3

*“An Act to authorize the control of aeronautics.”*

Provisions in this Act relevant to farming deal with the cost of shipping farm produce, equipment and stock; spraying crops; and field drops of emergency cattle food.

The Act establishes the duties and powers of the Minister of Transport to control and regulate civil aviation, and it gives the Canadian Transport Commission, under the jurisdiction of the Minister, full powers with regard to licensing and other matters pertaining to civil aviation.

The Transport Commission, with the approval of the Governor in Council, has the power to establish freight rates, passenger rates and any other tolls and tariffs related to the field of aeronautics.

The Act further provides that no one can operate a commercial air service without holding a valid and current license issued to him by the Minister of Transport and certifying that the holder is adequately equipped and able to conduct a safe operation as an air carrier over the prescribed route in that given area.

The employment of personnel to administer the Acts is also authorized.

### DEPARTMENT OF TRANSPORT ACT, R.S.C. 1970, T-15

*“An Act respecting the Department of Transport.”*

This Act provides for the organization and operation of the Department of Transport over which the Minister of Transport is appointed under the Great Seal of Canada and shall so preside.

The Minister has the responsibility for management, charge and direction of all government railways and

## (Transportation)

canals, and of all work and property appertaining or incident to such railways and canals; also of the collection of tolls on the public canals, and matters incident thereto, and of the offices and persons employed in that service.

The duties, powers, and functions of the Minister extend to such boards and other public bodies as may be designated by the Governor in Council.

### INLAND WATER FREIGHT RATE ACTS, R.S.C. 1970, I-12

*"An Act with respect to freight rates for the carriage of grain by lake and river navigation."*

This Act is intended to regulate the shipping rates of grain transported on Canadian lakes or rivers for interprovincial, foreign or export trade. It is administered by the Canadian Grain Commission under the authority of the Minister of Agriculture.

Shippers are required to file with the Grain Commission a true copy of the document for carriage of the grain. The Commission must tabulate all rates and tariffs received and also ascertain the freight rates that prevail, or are exacted or required for the carriage of grain from the Lakehead by inland waters to places in Canada or the United States. Then the Commission shall report to the Minister of Industry, Trade and Commerce any apparent deficiency of cargo space, excessive freight charges or discrimination in rates. All ship-owners and persons engaged in the grain trade must, upon request, furnish the Commission with information concerning these matters, or be subject to the penalties set forth in the Act.

In the cases of unreasonable, unjust or discriminatory rates, tolls or charges imposed for the carriage of grain by any person or company, the Commission may prescribe maximum rates and vary them to suit conditions prevailing at any time. Penalties may be enforced against anyone charging rates, tolls or charges in excess of the maximum set by the Commission.

### MARITIME FREIGHT RATES ACT, R.S.C. 1970, M-3

*"An Act respecting the Canadian National Railways and the tariffs of tolls to be charged on certain Eastern lines."*

The purpose of this Act is to give certain rate advantages to persons and industries in the four provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, as well as certain areas in the Province of Quebec.

These areas are known as the 'select territory' and comprise all of the Maritime provinces, the steamship services between Port aux Basques and North Sydney, and the lines of railway in the Province of Quebec extending from the southern provincial boundary near Matapedia and Courchesne to Diamond Junction and Levis (collectively known as the 'Eastern Lines'). Lines other than the Canadian National Railway may be included or withdrawn from the 'Eastern Lines'.

The date for the reduction of freight rates on the Eastern Lines was July 1, 1927. The reduction represented a 20 percent discount on those rates generally applying to the rest of Canada. However, the Act does allow the Canadian Transport Commission the right to increase or decrease these rates, according to fluctuating operational costs.



## (Transportation)

The following are preferred movements as provided for in the Act:

- (a) local traffic, all rail - between points on the Eastern lines;
- (b) traffic moving outward, westbound, all - rail from points on the Eastern lines westbound to points in Canada beyond the limit of the Eastern lines at Diamond Junction or Levis - the 20 percent reduction shall be based upon the Eastern lines proportion of the through rate;
- (c) traffic moving outward, export traffic, rail and sea -- from points on the Eastern lines through ocean ports on the Eastern lines destined for overseas;
- (d) traffic moving outward, westbound, rail-and-lake, and also rail-lake-and-rail from points on the Eastern lines westbound to points in Canada via ports beyond the limit of the Eastern lines at Diamond Junction or Levis - 20 percent shall be based on the Eastern lines' proportion or the through rate for the rail mileage from the shipping point on the Eastern line west as far as Diamond Junction or Levis.
- (e) in some cases these tariffs apply to Express rates as well.

The rates specified in the tariffs of tolls in this Act, in respect of preferred movements, are deemed statutory rates.

The Act further provides that other companies owning or operating lines or railway in, or extending into, the select territory, may file with the Canadian Transport Commission (C.T.C.), tariffs of tolls respecting freight movements similar to the preferred movement meeting the statutory rates referred to in the preceding paragraph. The Commission on approving any such tariff shall certify the normal tolls which, but for this Act, would have been effective; and shall, in the case of each company, at the end of each calendar year ascertain and certify to the Minister of Transport the amount of the difference between the tariff tolls and the normal tolls on all traffic moved by the company during such year under the tariff so approved. The company is then entitled to payment by the Government of Canada of the amount of the difference so certified. Provision is made for the revision by the Commission every third year or at the request of the Governor in Council of the normal tolls referred to above.

### MOTOR VEHICLE TRANSPORT ACT, R.S.C. 1970 M-14

*"An Act respecting extra-provincial Motor Vehicle Transport."*

The purpose of this Act is to make it possible for the provinces to regulate interprovincial and international highway transport undertakings within their own provinces. The basis of the Act is to ensure that provincial transport companies are on a parity with extra-provincial transport firms. Each province has the right to regulate its own tariffs and tolls within that province, upon the same terms and conditions as apply to local undertakings.

The Act further states that it shall come into force in a province **"only upon the issue of a proclamation of the Governor in Council declaring it to be in force in that province."** In practice, a province requests that the Act be declared effective within its boundaries.

## (Transportation)

### NATIONAL TRANSPORTATION ACT, R.S.C. 1970 N-17

*“An Act to define and implement a national transportation policy for Canada, to amend the Railway Act and other Acts in consequence thereof and to evert other consequential provisions.”*

This Act articulates the federal transportation policy, namely that ‘an economic, efficient and adequate transportation system making the best use of all available modes of transportation at the lowest total cost is essential to protect the interests of the users of transportation and to maintain the economic well-being and growth of Canada’ The purpose of the National Transportation policy is to ensure:

- (a) that regulations of all modes of transport will not restrict one mode from competing freely with another;
- (b) that each mode of transport bears a fair proportion of the cost of resources and facilities provided to it out of public finances;
- (c) that each mode of transport receives compensation for the cost of services it provides on direct order from the Government;
- (d) that each mode of transportation carries traffic under tolls and conditions that: 1) do not give unfair disadvantage to any point in Canada beyond that dictated by purely economic factors; 2) do not obstruct the interchange of commodities between points in Canada or unreasonably discourage primary or secondary industry or export trade.

This Act applies to all federal legislation passed regarding the following modes of transportation:

- (a) transport by railways to which the Railway Act applies;
- (b) transport by air to which the Aeronautics Act applies, and all other transport by air to which the legislative authority of Canada extends;
- (c) transport by water to which the Transport Act applies and all other transport by water to which the legislative authority of the Parliament of Canada applies;
- (d) transport by commodity pipeline connecting a province with any other or others of the provinces, or extending beyond the limits of the provinces;
- (e) transport for hire or reward by a motor vehicle undertaking or connecting a province with any other or others of the provinces or extending beyond the limits of a province.

The Act provides for the establishment of the Canadian Transport Commission to coordinate and harmonize the operations of all carriers engaged in transport by railways, water, aircraft, extra-provincial motor vehicle transport and commodity pipelines, and to perform all other duties given it under this Act, the Railway Act, the Aeronautics Act, and the Transport Act, for the purpose of carrying out the National Transportation Policy.

RAILWAY ACT, R.S.C. 1970, R-2

*“An Act respecting railways.”*

This Act is administered by the Minister of Transport and, in relation to telegraphs or telephones, by the Minister of Communications. It regulates every railway company, not only in Canada but also in the United States, that owns or operates running trains or rolling stock upon or over any line or lines of railway in Canada. It specifically states the nature of control over railway companies operating out of the United States into Canada. Whenever farm lands are injuriously affected because drainage close to the railway is inadequate, the Act makes provision for the installation of proper drainage on or near railways and for the determination of compensation, if any, payable for damage.

It is incumbent upon all railways to make convenient farm crossings for persons across whose lands the railway is carried. Livestock using such crossings when at rail level must be in charge of some competent person who will take all reasonable precautions to avoid accidents. All railway companies are required to erect and maintain fences four and one-half feet high on each side of the railway with swing gates in such fences at farm crossings and also cattle guards on each side of the highway, at every highway crossing at the rail level. People who use farm crossings must keep the gates on each side of the railway closed when not in use. This Act also states that livestock are not permitted to be at large on any highway within half a mile of the intersection of such highway with a railway at rail level unless they are under the charge of some competent person. Any livestock found at large may be impounded.

This Act further requires that every railroad company shall destroy, each year, thistles and other weeds growing on the right of way and open land of the company adjoining the railway, before such thistles or weeds have matured to seed. Tolls and tariffs are submitted to the Department of Transport for ratification and no changes may be made without the Department of Transport's permission.

It is stipulated that for purposes of export, rates of grain and flour moving from any point west of Thunder Bay or Armstrong to Churchill over any line shall be maintained at the level of rates applying on December 31, 1966.

TRANSPORT ACT, R.S.C. 1970 T-14

*“An Act respecting transport by railways, ships, and aircraft”.*

This Act deals mainly with transportation by water. It enables the Canadian Transport Commission to license ships for the transport of goods and/or passengers, and goods and passengers themselves. However, this does not apply in the case of ships engaged in the transport of goods or passengers.

- (a) between ports or places in British Columbia;
- (b) between ports or places in Hudson Bay, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, the Gulf of St. Lawrence;
- (c) between ports or places in the Maritimes or on the Great Lakes. Regarding the latter, such ships are subject to this part in respect of goods or passengers accepted for transport by water from a port or place on the Great Lakes to another port or place on the Great Lakes;

## (Transportation)

- (d) between ports and places on the Pacific and Atlantic Oceans and the Great Lakes. However, goods or passengers may be accepted for transport by water from a port or place on the Pacific Ocean to another port or place on the Pacific Ocean, or from a port or place on the Atlantic or on the Great Lakes to another port or place on the Atlantic or the Great Lakes.

Licenses issued under this Act are valid for one year. They are payable on a yearly basis according to a schedule issued by the Commission.

Traffic, rates and schedules concerning goods or passengers transported by water are substantially the same terms as those accorded railways. Freight rates, schedules, supplements, and amendments must be approved by the Commission. Equal rates must be charged to all persons for traffic of the same description carried in like manner over the same route. The regulations provide that no freight rate may be increased on less than 30 days's notice without Commission authorization. The Commission may also prevent unjust discrimination, and generally deal with other relevant matters.

Essentially, this Act has been superseded by the National Transport Act, but (as of early 1974) certain provisions remain in force. For instance, all agreed charges must be filed with an approval by the Commission and then published by the carriers. Any representative body of carriers (water, road or rail) who feel that an existing agreed charge unjustly discriminates against their business may request that the Commission fix for their business the same rate as the original agreed charge.

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# Federal Agricultural Legislation up to 1977

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**FEDERAL AGRICULTURAL LEGISLATION  
UP TO 1977**

A. R. Jones

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## ABSTRACT

This is one of a series of handbooks published by Agriculture Canada to provide interested persons with essential information about the laws of the government of Canada that pertain to agriculture. Companion publications cover similar legislation enacted by the ten provincial governments. A related series summarizes governmental policies and programs for agriculture at the federal and provincial levels.

This text is based on the Revised Statutes of Canada, 1970, and the Statutes of Canada and Part III of the Canada Gazette for the period 1974 to November 30, 1976.

Legislation is grouped according to whether it concerns land, production, marketing, trade, finance or administration. The information at the heading of each act contains its full title, a brief description of its intention, the dates of all amendments, and the minister responsible for administering the act. The main provisions of each act are set out in condensed form. The introduction to the handbook makes it clear that the information has no legal status, and is to be used for reference only.





## FOREWORD

The purpose of this publication is to provide an overview of the policies and laws of the federal government affecting the agricultural industry. Companion publications cover the agricultural legislation of the ten provinces. A related series covers the policies and programs for agriculture of the provincial and federal governments. Both series are available from Agriculture Canada.

The text was prepared by A.R. (Jerry) Jones, economist, who tried to extract the relevant and important sections of legislation pertaining to agriculture that would be of interest to those working within or interested in the agricultural industry.

The task of making brief and accurate synopses is hazardous, since many of the Acts are spelled out in considerable detail. Hence, this material is for information purposes only. It has no legal status. When a legal interpretation is required, the statutes themselves must be used.

Those Acts which are relatively new and also those which have under-gone fairly substantial revision and have an impact on agriculture have been given more extended treatment.

The listing of the Acts by their exact title in the index provides the most efficient means for locating a specific Act. The Acts are classified in the table of contents according to their functional purpose in eight broad categories and entered alphabetically in each category.

The following acronyms are used.

|        |                                |
|--------|--------------------------------|
| R.S.C. | Revised Statutes of Canada     |
| S.C.   | Statutes of Canada             |
| c.     | Chapter                        |
| NC/NR  | Not Consolidated, Not Repealed |
| C.I.F. | Coming Into Force              |
| N.I.F. | Not In Force                   |

The text is based on the Revised Statutes of Canada, 1970, bound volumes of the Statutes of Canada and the Canada Gazette Part III for the period 1974 to November 30, 1976.

Suggestions for improving future editions would be most welcome.

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## 1. ADMINISTRATION

### DEPARTMENT OF AGRICULTURE ACT, R.S.C. 1970, c. A-10

*“An Act respecting the Department of Agriculture.”*

The purpose of this Act is to establish a Department of the Government of Canada called the Department of Agriculture, presided over by a Minister and assisted by a Deputy Minister. The Minister is responsible for the following:

- (a) to maintain the well-being of Canadian agriculture.
- (b) to establish Experimental Stations in strategic places across Canada for the purposes of research and experimentation for the betterment of farms, farmers and their produce.
- (c) to assist in the arts and manufactures of farms and farmers in Canada.

The Cabinet may assign other duties to the Minister.

The Minister is to submit an annual report on the proceedings of his Department for the past fiscal year with submissions and suggestions for programs for the coming year to both Houses of Parliament.

### EXPERIMENTAL FARM STATIONS ACT, R.S.C. 1970, c. E-14

Minister of Agriculture

*“An Act respecting Experimental Farm Stations.”*

This Act provides for the setting up of experimental farm stations as follows:

- (a) the Provinces of Ontario and Quebec jointly, which is to be the principal or central station;
- (b) Nova Scotia, New Brunswick and Prince Edward Island jointly;
- (c) Manitoba;
- (d) Saskatchewan, Alberta and the Northwest Territories jointly;
- (e) British Columbia; and
- (f) Newfoundland.

With the approval of the Minister of Agriculture, officers of these farms are to conduct experiments bearing upon the improvement of the agriculture industry in Canada.

The Governor in Council may acquire land for stations and set aside land for tree planting and timber in the western provinces and in the Northwest Territories.

### NORTHWEST TERRITORIES ACT, R.S.C. 1970, c. N-22      Amendments: c.48 (1st Supp.); 1974, c.5

Minister of Indian Affairs and Northern Development

*“An Act respecting the Northern Territories.”*

The Act gives the Commissioner of the Northwest Territories Council legislative powers for the government of the Territories in regard to agriculture, and authority to make regulations concerning the herding, control, protection, transfer, shipment, sale, slaughter or other disposal, of reindeer or reindeer carcasses.

**STATISTICS ACT, SC 1970-71-72, c. 15.**

Minister of Industry, Trade and Commerce

*“An Act respecting statistics of Canada.”*

This Act provides for the continuation of a statistics bureau to be known hereafter as Statistics Canada. This agency is empowered to:

- (a) collect, compile, analyze, abstract and publish statistical information relating to the commercial, industrial, financial, social, economic and general activities of the people;
- (b) collaborate with departments of government in the collection, compilation and publication of the statistical information, including statistics derived from the activities of those departments;
- (c) take the census of population of Canada and the census of agriculture of Canada;
- (d) co-operate with the provinces in accumulating the information.

All statistics are to be obtained in secret and cannot be published, except in the aggregate, without the written consent of the individual or group concerned.

Section 19 of the Act provides for a census of agriculture of Canada:

- (a) in the year 1971 and every tenth year thereafter;
- (b) in the year 1976 and every tenth year thereafter, unless the Governor in Council otherwise directs in respect of any such year.

Farmers must furnish correct information on their household, dwellings, tenures, land costs and returns, crops, livestock or any other matters laid down by the Governor in Council, to give an accurate picture of rural Canada and for the improvement of agriculture.

**YUKON ACT, R.S.C. 1970, c. Y-2**

Minister of Indian Affairs and Northern Development; and Minister of Justice and Attorney General (s.36)

*“An Act to provide for the Government of the Yukon Territory.”*

The legislative powers assigned to the Commissioner of the Yukon Territory under this Act include agriculture, irrigation and local improvement districts, property rights, the preservation of game in the Territory, and the levying of a tax on furs or parts of fur-bearing animals shipped or taken outside the Territory.

The Commissioner of the Yukon Territory may also make regulations concerning reindeer.

## II. LAND

### 1. Land Development, Conservation and Irrigation

**AGRICULTURAL AND RURAL DEVELOPMENT ACT, (ARDA), R.S.C. 1970, c. A-4**

Minister of Regional Economic Expansion

*“An Act to provide for the rehabilitation and development of rural areas in Canada.”*

The Act's primary objective, with the joint financial and physical help of the Provinces, is to:

- (a) increase income

- (b) expand employment opportunities, and to
- (c) improve the standard of living

in the have-not rural areas of Canada by:

- (a) undertaking, with the provincial governments, projects for the more efficient use and economic development of rural lands; or to pay to the provinces costs accrued by them to achieve those ends;
- (b) using any means possible, either jointly or by direct re-imbursement to the provinces, to up-grade the standard of living in those areas designated as being well below the National average;
- (c) preparing and undertaking, directly or in co-operation with the government of any province or any agency thereof, programs of research and investigation for the development and conservation of water supplies and for soil improvement and conservation in that province.

All agreements entered into under this Act must specify:

- (a) the proportions of the cost of any project and the contribution in this respect naming the authority responsible for the undertaking, operation and maintenance of such projects;
- (b) the amount of money that is to be paid to the province;
- (c) the charges to persons who may benefit from this project.

#### **CANADA WATER ACT, RSC, 1970, c.c.-5 (1st Supp)**

Minister of the Environment

*"An Act to provide for the management of the water resources of Canada including research, planning and implementation of programs relating to the conservation, development and utilization of water resources."*

The reasons for which it came into being are three-fold:

1. the rapidly increasing demands on Canada's water resources; hence the need to know the nature and extent of present resources and probable future demands on these resources.
2. The threat to the health and well-being of Canadians posed by water pollution.
3. The need for federal-provincial cooperation and coordination of water conservation and development programs.

The Act permits the formation of intergovernmental bodies to facilitate formulation of policies and programs. These include water-resource management and water-quality management programs.

The Act also enables the Governor in Council to make regulations concerning the use of nutrients in cleaning agents and water conditioners.

**FISHERIES ACT, R.S.C. 1970, c. 17 (1st Supp)**

*Hon R. Leblanc, a minister of State and Minister of the Environment*

This Act provides for the regulation and conservation of the fisheries of Canada and specifically states that no person shall put chemical substances or any deleterious things in any water frequented by fish, or waters tributary to those frequented by fish or on ice over such waters.

**MARITIME MARSHLAND REHABILITATION ACT, R.S.C. 1970, c. M-4**

Minister of Regional Economic Expansion

*"An Act respecting the reclamation and development of marshlands in Nova Scotia, New Brunswick, and Prince Edward Island."*

This Act authorizes the Minister of Regional Economic Expansion to enter into agreements with the governments of Nova Scotia, New Brunswick and Prince Edward Island for the construction and reconstruction of dykes, aboiteaux, and breakwaters to reclaim and develop the marshlands in these provinces. Before any work is undertaken, a province must fulfill the requirements stated in the Act.

Officers, employees and Advisory Committees may be appointed to assist the Minister in carrying out the provisions of the Act.

**PRAIRIE FARM REHABILITATION ACT, R.S.C. 1970, c. P-17**

Minister of Regional Economic Expansion

*"An Act to provide for the rehabilitation of drought and soil drifting areas in the provinces of Manitoba, Saskatchewan and Alberta."*

The purpose of this Act is to rehabilitate drought and soil-drifting areas and to promote up-to-date systems of farm practice, tree culture, irrigation, land utilization and land settlement that will afford greater economic security to farms and farmers in Manitoba, Saskatchewan and Alberta.

The Minister of Regional Economic Expansion, under this Act, may undertake the development, construction, promotion, operation and maintenance of projects or schemes to assure the rehabilitation of the drought and soil-drifting areas of the provinces of Manitoba, Saskatchewan and Alberta and may enter into agreements with any province, municipality or person with respect thereto.

**2. Land Settlement**

**LAND TITLES ACT, R.S.C. 1970, c. L-4**

Minister of Indian Affairs and Northern Development

This Act enables the Governor in Council to declare any portion of the Northwest Territories or the Yukon a land registration district and to provide it with a land titles office.

It stipulates how land in the Yukon and the Territories is to be registered, transferred, leased, mortgaged, sold, or otherwise disposed of. It provides for the appointment of land title inspectors and delineates their powers and duties.

**PUBLIC LAND GRANTS ACT, R.S.C. 1970, P-29**

Minister of Indian Affairs and Northern Development

*“An Act respecting grants of public lands”*

Under this Act, the Governor in Council or a designate is empowered to authorize the sale, lease, or other disposition of any public lands that are not required for public purposes and for the disposition of which there is no other provision.

**TERRITORIAL LANDS ACT, R.S.C. 1970, c. T-6**      Amendments: c.48 (1st Supp); 1972, c.17; 1974-75-76, c.52

Minister of Indian Affairs and Northern Development

*“An Act respecting Crown Lands in the Yukon Territory and the Northwest Territories.”*

This Act applies only to territorial lands that are under the control, management and administration of the Minister for Indian Affairs and Northern Development (ie. crown lands).

The Act permits the Minister, with the consent of the Governor in Council, to authorize the sale, lease, or other disposition of such lands, subject to certain limitations.

The limitations are particularly rigid where territorial lands sold or leased to an individual are suitable for the growth of hay for the purpose of grazing. Further, permits must be obtained to cut timber on all territorial lands.

**VETERANS' LAND ACT, R.S.C. 1970, c. V-4**      Amendments: c.10 (2nd Supp); 1969-70, c.46, 1974, c.3; 1974-75-76, c.48

Minister of Veterans Affairs

*“An Act to assist war veterans to settle upon the land.”*

The purpose of this Act is to assist veterans of World War II and Korea to settle as full-time farmers, part-time farmers (small holdings), as commercial fishermen or, in the case of Indian veterans, on reservations. It also provides assistance to veterans who wish to construct their own homes.

Under the Act, loans are made to commercial farmers, part-time farmers and commercial fishermen. Home construction financial assistance may be approved under arrangement with the Central Mortgage and Housing Corporation. There is a V.L.A. group life insurance plan to protect the repayment of their contracts.

The terminal dates for sale, advance or grant are given in subsection 31(2). The 1974 amendments include the following: “No application for a sale, advance, loan or grant under Part I, II or III shall be accepted by the Director after the 31st day of March, 1975 from a veteran who has not a subsisting contract with the Director..., and no application for a sale, advance, loan or grant under Part I, II and III shall be accepted by the Director after the 31st day of March 1977.”



### III. FINANCE

#### 1. Credit

**BANK ACT, R.S.C. 1970, c. B-1** Amendments: c.19 (1st Supp.); c.15 (2nd Supp.); 1972, c.24; 1974-75-76, c.76 N.I.F.

Minister of Finance

*“An Act respecting banks and banking.”*

A distinction is made, under this Act, between agricultural implements and agricultural equipment.

Section 88 of this Act is of importance to agriculture. The Act empowers a bank to lend money to wholesale purchasers or shippers of, or dealers in, products of agriculture upon security of such products and goods. Under the same authority, a bank may lend money to any farmer:

- (a) upon the security of crops grown or produced upon the farm;
- (b) for the purchase of seed grain or seed potatoes, on the security of those, and any crop to be grown therefrom;
- (c) for the purchase of fertilizer, on the security of the fertilizer and any crop to be grown on the land where the fertilizer is used.
- (d) for the purchase of binder twine, on the security of the twine and any crop on which the binder twine is used;
- (e) or to any person engaged in livestock raising, upon the security of livestock, but when such livestock is exempt from seizure under right of execution under any statutory law that was enforced on July 1, 1923, such security is ineffective;
- (f) for the purchase of agricultural implements, upon the security of such agricultural implements;
- (g) for the purchase or installation of agricultural equipment or a farm electrical system, upon the security of such agricultural equipment or farm electrical system.

The Act also permits the making of loans to the farmer for the repair of agricultural implements or equipment, alteration to the farm electrical system, erection or construction of fencing or drainage facilities, repairs or alterations to farm buildings and for all purposes stipulated by the Farm Improvement Loans Act. These loans are made on the security of agricultural implements except those implements which are, by any statutory law in force as of September 1, 1944, exempt from seizure under writs of execution.

**REGIONAL DEVELOPMENT INCENTIVES ACT, R.S., c. R-3.** Amended: RS (2nd Supplement) c.25; s.c. 1974-75-76, c. 84

Minister of Regional Economic Expansion

The Act provides incentives for the development of productive employment opportunities in regions of Canada determined to require special measures to facilitate economic expansion and social adjustment.

Regions requiring assistance are designated by the Governor in Council after consultations with the provincial government. For a region to qualify, existing opportunities for productive employment must be exceptionally inadequate, and the provision of development incentives under the Act for the establishment of new facilities or the expansion or modernization of existing ones must make a significant contribution to the region's economic expansion and social adjustment. Designated regions are listed in the Regulations.

The Act establishes the maximum amount of financial assistance which may be granted to an applicant, the criteria for determining the amount of assistance, and facilities ineligible for grants. Farms are not eligible for assistance under this Act, but processing plants for agricultural products may be if they comply with the other provisions in the Act.

**CO-OPERATIVE CREDIT ASSOCIATIONS ACT, R.S.C. 1970, c. C-29**      Amendments: 1973-74, c.37

Minister of Finance; and Minister of Consumer and Corporate Affairs (s.5)

*“An Act respecting co-operative credit associations.”*

This Act provides for the incorporation and organization of co-operative credit associations operating in more than one province. These associations operate under the supervision of the Federal Superintendent of Insurance. Before such an association may operate, it must, with the consent of the Minister of Finance, apply to the Minister of Consumer and Corporate Affairs for incorporation by a special Act. The objects, powers, and restrictions on the powers of the association are set forth in the Act. Part V was added in 1973-74.

**FARM CREDIT ACT, R.S.C. 1970, c. F-2**      Amendments: 1972, c.19; 1974-75-76, c.45

Minister of Agriculture

*“An Act to provide for the extension of long-term mortgage credit to farmers.”*

Its primary objective was stated by the Minister of Agriculture in 1959: “To assist Canadian farmers in the voluntary reorganization of their industry into economic family farm units, each of which will be of sufficient size to produce, under the operation of the owner, the farm income necessary to meet all operation and maintenance costs, provide an adequate livelihood for the owner-operator and his dependents, and retire any required credit, with interest, within an appropriate term.”

Part I provides for the establishment and operation of the Farm Credit Corporation

Three types of loans are available under the Farm Credit Act:

1)    Standard Farm Loans (Part II)

A loan can be made for up to \$100,000 or up to 75 percent of the appraised value of the land and buildings.

Applicants under 45 years of age may borrow up to \$100,000 or up to 75 percent of the appraised value of land, livestock and equipment, whichever is the lesser.

2)    Loans to Young Farmers (Part III)

A person under 35 years of age who is farming and who demonstrates to the Corporation that he has the ability to manage a farm enterprise may borrow up to \$150,000, or up to 90 percent (or such greater amount as the Corporation may determine) of the appraised value of land and chattels.

3)    Loans to Establish Young Farmers (Part IV)

A person under 35 years of age is allowed five years to phase into a profitable farming operation. The maximum loan is set at \$150,000, or up to 90 percent (or such greater amount as the Corporation may determine in accordance with the regulations) of the appraised value of the farm lands or farm lands and chattels.

An applicant must submit a plan of farm operations and farm development and meet other criteria set out in sections 34 and 36 of this Act.

Loans are secured by a mortgage on farm lands or farm lands and chattels, and by life insurance in the amount by which the outstanding amount of the loan exceeds 75 percent of the appraised value of farm lands.

Loans may be made to farmers individually or jointly and to farming corporations and co-operatives. The interest rate is set by Order in Council. A farmer may take up to 30 years to repay the loan.

Loans may be used to buy farm land, make permanent improvements, purchase breeding stock and farm equipment, pay debts, or for any purpose that will facilitate the efficient operation of the farm.

## SMALL FARM DEVELOPMENT PROGRAM

### Minister of Agriculture

The Small Farm Development Program received federal legislative approval on June 29, 1972 (Privy Council 1972-1490). The Governor in Council authorized funding for the Program pursuant to appropriation Act No. 3, 1971, Department of Agriculture, Vote 15 (see S.C. 1970-71-72, c.46), and/or from funds available to the Farm Credit Corporation under Section 13 of the Farm Credit Act. The F.C.C. is to administer the land transfer plan under this Program.

The reasoning behind the Program is that the family farm is the most desirable and efficient type of farming operation. Thus, its overall aim is to help operators to develop more profitable family farms and to assist those who want to enter non-farm operations.

It consists of a land transfer plan (including a land purchase and resale program) and information, rural counselling and farm management consultation services.

The Program provides for the establishment of a National Small Farm Development Advisory Committee to recommend policy proposals to the Federal Minister of Agriculture. It also provides for the setting up of a joint committee with each province to co-ordinate federal and provincial services. The provinces generally handle the counselling and farm management services; the federal government provides a central information bank.

Details of the Small Farm Development Program can be obtained from local offices of the F.C.C., provincial extension services, or from Information Division, Agriculture Canada.

## FARM IMPROVEMENT LOANS ACT, R.S.C. 1970, c. F-3      Amendments: c.9 (2nd Supp.); 1974, c.10

### Minister of Finance

*"An Act to encourage the provision of intermediate term and short term credit to farmers for the improvement and development of farms, and for the improvement of living conditions thereon."*

The Act authorizes the Minister of Finance to guarantee against loss term loans made to farmers by chartered banks and other designated lenders for farm improvement projects.

The main purposes for which Farm Improvement Loans can be made are:

- (a) the purchase of major repairs to or major overhaul of agricultural implements or equipment for beekeeping;
- (b) the purchase of livestock or bee-stock;
- (c) the purchase or installation of major repairs to or major overhaul of agricultural equipment or a farm electric system;
- (d) the construction, repair or alteration of farm buildings;
- (e) the purchase of additional farm land;
- (f) general works for the improvement and development of a farm, including clearing and breaking of land, irrigation systems, fencing and drainage work and any work for the development of the farm designated in the regulations.

The Minister is not liable under Section 3 to make any payments to a bank unless loan is within a class of loans prescribed by regulation and is made after a date fixed by the Minister.

The Minister is responsible for meeting certain specified losses sustained as a result of farm-improvement loans, providing certain conditions are met. One such requirement is that the maximum amount of guaranteed loans that a borrower may have outstanding at any one time is subject to an overall limit of \$50,000.

The base rate of interest is established at six-month intervals on April 1 and October 1 in accordance with a formula. If the bank makes a guaranteed farm improvement loan, it may take as security a mortgage or hypothec upon the farm or an assignment of rights and interest of a purchaser of the farm under an agreement for sale. The Minister may enter into agreements to provide for the repossession or disposal of property upon which security is taken by the bank for the repayment of a guaranteed farm improvement loan.



**FARM SYNDICATES CREDIT ACT, 1970, c. F-4**

Minister of Agriculture

*“An Act to provide for the extension of credit to farm syndicates.”*

This Act is administered by the Farm Credit Corporation. It provides loans to groups or ‘syndicates’ of three or more farmers organized to share in the purchase and use of farm machinery, buildings and installed equipment.

The Corporation may make loans to a syndicate amounting to 80 percent of the cost, to a maximum of \$15,000 per member or \$100,000 whichever is less. Loans are repayable up to a period not exceeding 15 years for buildings and installed equipment and 7 years for mobile machinery. The interest rate is based on the cost of funds to the Corporation and its expenses in servicing loans.

The Corporation can lend to bands of Indians engaged in farming (defined as a syndicate under this Act), by agreement with the Minister of Indian Affairs and Northern Development.

**FARMERS’ CREDITORS ARRANGEMENT ACT, R.S.C. 1970, c. F-5**

Minister of Consumer and Corporate Affairs

*“An Act to facilitate compromises and arrangements between insolvent farmers and their creditors (and also to simplify the operation of the Bankruptcy Act with respect to farmers generally).”*

This legislation was enacted in 1934 in response to the depressed state of agriculture in Manitoba, Saskatchewan and Alberta, where the indebtedness of many farmers, through no fault of their own, was beyond their capacity to pay. In the interest of retaining these farmers on the land as efficient producers, the Act aimed to provide means whereby individuals unable to pay their liabilities at the time they were due could make arrangements that would permit them to continue farming.

The farmer who finds himself in this position can make a proposal to his creditors (without the encumbrance of actually going into bankruptcy), for an extension of time, or for a scheme of arrangement of his affairs. His proposal is filed with an Official Receiver who is appointed to his judicial district under the Act. This move constitutes a stay of proceedings and no action can be taken against the farmer for 60 days except by order of the district court. The Receiver acts as a mediator between the farmer and his creditors. In the event that a compromise cannot be reached, the matter is taken to the district court which can formulate a proposal that it considers fair. Its decision is binding on both parties. In Manitoba, Saskatchewan and Alberta, however, there are Appeal Courts to which decisions can be taken.

**PRAIRIE GRAIN ADVANCE PAYMENTS ACT, R.S.C. 1970, c. P-18**      Amendments: c 24 (2nd Supp.); 1974-75-76, c. 64

Minister Responsible for the Canadian Wheat Board

*“An Act to provide for advance payments for Prairie grain prior to delivery thereof.”*

This Act provides interest-free cash advances of up to \$15,000 per grain producer on the security of farm-stored wheat, oats and barley. It also makes provision for advance payments for drying damp or tough grain (to 25 cents per bushel with an upper limit of \$1,500 per producer) where weather conditions are sufficiently unusual to warrant this. No person who has received an advance payment under this Act in any crop year and who is in default of it, is entitled to receive another advance payment in the same or subsequent crop year until this has been fully discharged.

Before an advance payment is made to a producer he must agree to repay it along with the prescribed interest if he doesn’t deliver the grain. The recipient may make repayment in lieu of delivery. When a person discharges his obligation to deliver grain he pays no interest on the first \$500.

If a person defaults he is not entitled to receive another advance payment in the same or subsequent crop year until this has been fully discharged.

Emergency advance payments are permitted under this Act. The maximum amount for emergency advance payments for drying tough or damp grain is set at \$1,500 and for the unthreshed grain \$7,500.

Where two or more producers are entitled to deliver grain under one permit book, no advance payment shall be made unless all producers named in the permit book jointly make the application and execute the undertaking, and the advance payment shall be made to all such producers jointly or as they direct in the application. An application by two or more producers may specify the shares of the advance payment to be paid to each.

The Governor in Council is empowered to set advance payment rates for any grain, rates which would amount, in his estimation, to 2/3 of what the initial payment for that grain will be.

Where the Board has made an advance payment, it has a lien on the grain. The Act sets down the terms and conditions under which deductions on deliveries can be made and also outlines the procedures for handling defaults.

#### **PRAIRIE GRAIN LOANS ACT, S.C. 1960, c.1 NC/NR**

Minister of Finance

*"An Act to provide for short-term credit to Prairie Grain Producers"*

The purpose of this Act was to provide for the guarantee of bank loans made to Prairie grain producers during the 1959-1960 crop year. The Act makes provision for government-guaranteed bank loans on the security of both threshed and unthreshed wheat, oats, barley, rye, flaxseed or rapeseed grown in the designated Wheat Board area.

This Act has (at the time of writing) been neither consolidated nor repealed. There are outstanding contracts under the Act, at the conclusion of which it will be repealed.

#### **PRAIRIE GRAIN PRODUCERS' INTERIM FINANCING ACT, 1951 (2nd Sess.), c.20; S.C. 1956, c.1, S.C. 1957, c.33**

Minister of Finance

*"An Act to provide short-term credit to grain producers in the Prairie Provinces to meet temporary financial difficulties arising from inability to deliver all their grain."*

This Act is at the same stage as the Prairie Grain Loans Act.

The legislation authorizes the government guarantee of bank loans on farm-stored threshed western wheat (other than durum), oats, barley, and rye at five percent per annum, simple interest. The total amount lent to a farmer is not to exceed the lesser of half the returns from the estimated quantity for delivery or \$3,000, minus the aggregate, at the time of application for the loan, of the monies that have been paid or are payable for the sale of grain delivered by or on behalf of the borrower, under his current permit book.

The Act provides that half of the money payable to the producer for subsequent deliveries is to be paid to the bank to apply against repayment of the loans.

Government liability is limited to 15 percent where the aggregate principal amount of loans made by a bank does not exceed \$100,000 or 10 percent when it does. There is to be no liability on loans made after the aggregate principal amount of guaranteed loans by all banks reaches \$50,000,000.

The Governor in Council is authorized to make regulations to carry out the provisions of the Act.

#### **PRAIRIE GRAIN PROVISIONAL PAYMENTS ACT, S.C. 1960, c.2;      Amendment: S.C. 1969-70, c.10 NC/NR**

Minister Responsible for the Canadian Wheat Board

*"An Act to authorize Provisional Payments for the 1959-60 crop year in respect of unthreshed grain in the Prairie Provinces"*

This Act is to be construed as one with the Canadian Wheat Board Act.

The Act authorized the Canadian Wheat Board to make payments for the 1959-1960 crop year in respect of future deliveries of unthreshed grain. These payments were made available to producers through their local elevator agents between February 1, 1960 and



May 1, 1960. No person who was in default with respect to an advance payment under the Prairie Grain Advance Payments Act received a provisional payment under this Act. Before a provisional payment was made to a producer he agreed to thresh the grain in respect of which the payment was to be made before June 1, 1960 and to deliver it until one-half the initial payment therefor was equal to the payment made to him.

The amount of the provisional payment to the producer was one-half the unthreshed grain, irrespective of grade, multiplied by 50 cents, 20 cents and 35 cents per bushel for wheat, oats and barley respectively. The maximum quantity of grain on which payment was made would be the amount deliverable on a six-bushel-per-specified-acre quota, less the amount of grain delivered prior to the application and less any farm-stored grain. The maximum payment to a producer was \$1,500 under this Act and \$3,000 total under both this Act and the Prairie Grain Advance Payments Act for the 1959-1960 crop year. Procedures are outlined for dealing with payments in default.

In 1970 the Act was amended to authorize payments for the 1969-70 crop year. The amount of the provisional payment this time was one half of the unthreshed grain multiplied by \$1.00, 40 cents, and 70 cents per bushel for wheat, oats, and barley respectively. The maximum payment to a producer, under this Act, was \$3,000; and under both this Act and the Prairie Grain Advance Payments Act for the 1969-70 crop year, the maximum payment was \$6,000.

## QUEBEC SAVINGS BANKS ACT, R.S.C. 1970, c. B-4

*"An Act respecting savings banks in the Province of Quebec."*

This Act applies to the Montreal City and District Savings Bank, La Banque d'Economie de Quebec, and the Quebec Savings Bank. In addition to other activities, the bank may lend money and make advances to any person if the bank takes security and the power of sale. In certain cases, loans and advances can be made without security. The bank may lend money and make loans under the National Housing Act, 1954.

## 2. Income Assistance

### AGRICULTURAL STABILIZATION ACT, RSC 1970, c A-9      Amendments: 1974-75-76 c.63

Minister of Agriculture

*"An Act to provide for the stabilization of agricultural products"*

Major amendments were made to this Act in 1975.

The reasons for this legislation and its purpose are stated as follows:

"Whereas it is expedient to enact a measure for the purpose of stabilizing the prices of agricultural commodities in order to assist the industry of agriculture to realize fair returns for its labour and investment, and to maintain a fair relationship between prices received by farmers and the cost of the goods and services that they buy, thus to provide farmers with a fair share of the national income;..."

An "agricultural commodity" for purposes of the Act means:

- a) any of the following commodities produced in Canada, namely, cattle, hogs and sheep; industrial milk and industrial cream; corn and soybeans; and oats and barley not produced in the designated area as defined in the Canadian Wheat Board Act; and
- b) any other natural or processed product of agriculture (including oats and barley produced in the designated area and not marketed through the Canadian Wheat Board) designated by the Governor in Council.

The Act provides for the establishment of an Agricultural Stabilization Board and for an advisory Committee to the Board composed of farmers representing farm organizations. It is the duty of the Board to (a) take such action in accordance with this Act as is necessary to stabilize the prices of agricultural commodities at their respective prescribed prices; and (b) make recommendations related to the indexing of prescribed prices so as to ensure that prescribed prices for agricultural commodities in a year bear a fair relationship to current production costs.

The base price of an agricultural commodity in a year is to be based on a five-year average price at representative markets as determined by the Board.

The prescribed price of a named commodity is determined by taking 90 per cent (or such higher percentage as the Governor in Council may prescribe) of the previous five-year average price and then adjusting further by an index reflecting the changes in production cost of the commodity. For a designated product the percentage is to be prescribed by the Governor in Council and adjusted by the approved index. Section 10.1 of this Act provides for provincial and producer participation if a higher level of price stability is sought. The Governor in Council may not authorize an agreement if a) he is of the opinion that it would give the producers advantages not enjoyed by other producers of the commodity in Canada; or b) it would be an incentive to over-produce the commodity.

The powers, duties and functions conferred by this Act may be exercised in relation to an agricultural commodity throughout Canada or in any region of Canada when, in the opinion of the Governor in Council, the market situation of the agricultural commodity in that region is substantially different from the market situation in the rest of Canada

**CROP INSURANCE ACT, R.S.C. 1970, c. C-36** Amendments: c.5 (2nd Supp.); 1973-74, c.33

Minister of Agriculture

*“An Act providing for contributions and loans to the provinces in respect of crop insurance.”*

This Act makes it possible for the federal government to assist the provinces in the provision of all-risk crop insurance to farmers. It enables the Minister of Agriculture to enter into agreement with any province to make contributions towards the cost of the insurance scheme. Risk-sharing agreements can also be made by way of loans or reinsurance of part of the province's liability whenever indemnities greatly exceed premiums and reserves. Under subsection 41, where a contribution to administration expenses is made, the contribution is to be an amount equal to the aggregate of

- (a) 50% of expenses incurred by the province in the administration of the scheme; and
- (b) if the province has undertaken to pay a share of the premiums, the lesser of (i) the amount required to reimburse the province for its share of the premiums and (ii) 25% of the premium paid.

When no contribution towards the scheme's administration expenses is made and the province pays a share of premiums, the federal contribution to the province is the lesser of

- (a) the amount required to reimburse the province for the share of the premiums paid by it; and (b) 50% of the premiums paid on the insurance policies.

Section 8 provides for extended insurance coverage against

- (a) loss arising from the destruction of stands for fruit trees or perennial plants other than trees;
- (b) loss arising when the seeding or planting of a crop is prevented by excess ground moisture, weather or agricultural hazards.

When there is an agreement with the province to extend coverage, the Minister may subject to any regulations, agree to the payment by Canada to that province of contributions on the same basis as described under subsection 4.1.

## WESTERN GRAIN STABILIZATION ACT, S.C. 1974-75-76 c. 87

Minister of Agriculture

*"An Act respecting stabilization of net proceeds from the production and sale of Western grain and to make certain incidental amendments in other statutes"*

This legislation concerns primarily grain producers (wheat, oats, barley, rye, flaxseed and rapeseed) in the designated area named in the Canada Grain Act. It sets up machinery for producers to make contributions to a fund to which the Federal Government will also contribute at twice the amount paid by the producer. The Act sets out the conditions for eligibility to participate and provides for a withdrawal by participants in the early stages. At the end of each year the Minister determines if stabilization payments are to be made. The provisions for calculation are set out in Section 8. In turn the calculations under Section 8 form the basis for the Minister to decide if stabilization payments are to be made, pursuant to Section 9. Sections 10 and 11 also relate to calculations.

The levies to be paid by producers are collected generally by the licensees of grain elevators. The initial levy is two percent but Section 16 provides for changes in the rate of levy. In the case of joint operations or corporate activities, Section 17 sets out the rules for determining the grain-sale proceeds on which levy is payable. In a difficult case, where a producer has lost a crop in respect of which he has later received insurance money, the Minister is given power in Section 18 to deem these proceeds to be the grain-sale proceeds. Where sales are made direct to the operators of feed lots or certain other purchasers, the Minister may under Section 19 deem the proceeds of sale to be the grain-sale proceeds of the participant producer. Where deductions are made by the Canadian Wheat Board, Section 20 provides machinery for deciding which year is identified as the one in respect of which the levy has been paid.

Each year the Minister must report regarding the levy payment and arrange for the refund of any excess levies. There are a number of incidental provisions relating to recovery of improperly-made payments or refunds, and subject to Section 26 of the Act and Section 95 of the Financial Administration Act. Stabilization payments and refunds are exempt from garnishment or attachment and are not assignable except as authorized under the Act.

Provision is made for dealing with complaints and appeals in certain circumstances stated in Section 29. There are penalty provisions for non-compliance with duties imposed by the Act and failure to remit deductions or to keep proper records. An inspector of the Canadian Grain Commission may exercise entry and search powers. The time limit for prosecution is two years.

The Minister may establish an advisory committee and the Governor in Council may make regulations prescribing form, information to be supplied, and conditions under which persons buying seed for resale or processing may be designated as purchasers for the purpose of the Act.

The Western Grain Stabilization Account is established in the Consolidated Revenue Fund. Section 45 provides that the Minister must on or before the 31st day of August or within five days of Parliament's sitting, submit a report to Parliament on the administration of the Act, including a report on the state of the stabilization account as of the end of the year.

The incidental changes relate to the Canadian Wheat Board Act where provisions are made relating to the social insurance number, and a change in the Income Tax Act.

## **TWO-PRICE WHEAT ACT S.C. 1974-75 c.54**

Minister responsible for the Canadian Wheat Board and Agriculture Canada for Administration

*"An Act to provide for payments in respect of wheat produced and sold in Canada for human consumption in Canada"*

This legislation stabilizes wheat prices, guarantees producers a floor price for a specified period, and protects consumers from high world wheat prices.

Payments represent the differences payable by government between domestic and export price.

The Act applies to the period (a) between July 1, 1974 and June 30, 1980, in relation to wheat produced outside the designated area as defined in the Canadian Wheat Board Act; and (b) between August 1, 1974 and July 31, 1980, in relation to wheat produced in the area designated in that Act.

The payment for wheat other than durum is to be lesser of \$1.75 and the amount, if any by which the average export price of wheat of the base grade, other than durum wheat, for the month exceeds \$3.25.

The payment for durum wheat is to be the lesser of \$1.75 and the amount, if any, by which the average export price of durum wheat of the base grade for that month exceeds \$5.75.

Payments to boards are to be made monthly and to producers not less frequently than every four months. A board must allocate money paid to it under this Act as if the money had been received as part of the sale price of wheat to which the payment has been related.

Every miller, processor, manufacturer, dealer or other person in Canada who purchases wheat for human consumption is required to maintain records and books needed to ascertain the number of bushels of such wheat purchased by him.

The Governor in Council is authorized to make regulations prescribing the manner of determining the amount of wheat sold and the average export price of the base grade.



### 3. Income Tax

**INCOME TAX ACT, S.C. 1970-71-72, c.63** Amendments: 1974-75 c.11

Minister of National Revenue

*"An Act respecting income tax"*

Since this Act is very complex, it is thought next to impossible to provide an accurate summary of this Act. The reader who must be sure should consult the Act itself.

The major sections of agricultural interest include: section 28 covering computation of income, cash method and sale of business; section 29 on disposal of animals; section 30 on deductions for land clearing, land leveling and tile drainage; sections 31 and 110 on losses; section 40 on capital gains; section 76(4) on grain inventory sales; section 101 on disposition of partnership land; and section 119 on averaging income. Regulations covering capital cost allowance are found in Reg. 1700-1704.

The major change in this amended Act is the inclusion of the realized gains in income. Taxable capital gains and allowable capital losses from the disposition of property are to be taken into account in the computation of income (s.3).

Farm land is considered to be a non-depreciable capital asset subject to one-half of capital gains at the time of transfer, excluding the tax-deferral "rollover" provisions for farm land and depreciable assets within the farm family or a different organizational structure.

A principal residence is exempt from tax on capital gain. The farm home may be considered separately or together with a deemed realization of farm land. When considered separately or together, the basic deduction is \$1000 plus \$1000 for each taxation year ending after 1971 for which the property was the principal residence.

Depreciable assets obtained prior to 1972 may still be depreciated under the straight line method of Part XVII. The diminishing balance method of Part XI applies on all depreciable assets obtained after 1971, and any recaptured depreciation becomes taxable income for the year in which it is received.

Farmers computing their income on a cash basis may add to their income the value of their livestock inventory in hand at the end of the taxation year in any amount up to the fair market value of the livestock on hand. Such amount must be deducted in computing income in the following year (s. 28). A farming business may deduct expenses for clearing land, levelling land or laying tile drainage for the purpose of carrying on the farm business (s. 30).

Section 29 sets down the rules covering the disposition of basic herd animals and section 40 those for capital gains from the disposition of property. Where a cash purchase ticket prescribed under the Canada Grain Act or by the Minister is issued for grain delivered in a taxation year but entitles the holder to payment at a date after the end of the taxation year, the amount is to be included in the year immediately following the taxation year, in which the grain was delivered and not in the taxation year in which the grain was delivered (s. 76 (4)). To smooth out annual income for the taxation year three types of income-averaging are available. These are (1) the five-year block averaging (individuals only); (2) the general income-averaging system and (3) the forward income averaging.

Forward income averaging provisions allow individuals to spread over a number of years certain types of income receipts such as taxable capital cost allowance on disposal of depreciable property, and payments in respect of receivables of a "cash-basis" taxpayer upon or after ceasing or disposing of his farm business. The vehicle used is an income-averaging contract (annuity).

While farmers are eligible for general and forward averaging, any years to which five-year block averaging is applied cannot be included in general averaging.

Rental income based on the lessee's gross production in the course of farming is considered for the purpose of averaging to be income from farming (s. 119 (7)). Income from a trust or estate, to the extent that it can reasonably be regarded as having been derived from farming, is considered as income from farming for the purpose of income averaging (s. 119 (7)).

Section 119 contains the rules for averaging income. Farmers are permitted to average their income every five years. Where farming is one of the chief sources of income, farm losses incurred in a taxation year may be deducted from other income of the same taxation year. If the other income is not sufficient to absorb the loss, the balance may be deducted from income for the immediately preceding taxation year. If there is still a portion of the loss remaining it may be offset against income in the next five years.

Section 31 covers the loss from farming where the chief source of income is not farming. The provisions in the old Act are continued in the new one. The deductible farm loss limit remains at \$2500 plus one-half the next \$5000. The remaining amount of the loss can be carried forward.



Restricted farm losses for the past five years and one year following the current one, may be deducted from the farming income for the taxation year. The extent to which losses may be deducted is the lesser of:

- (a) the income from farming for the current year, or
- (b) the income for the year minus all allowable deductions, except personal exemptions and non-capital and net capital losses carried from other years.

#### 4. Canada Pension Plan

**CANADA PENSION PLAN ACT, R.S.C. 1970, c. C-5** Amendments: 1970-71-72, c.43; 1973-74, c.41; 1974-75-76, c.4

Minister of National Health and Welfare cs. 3,4, Part II); Minister of National Revenue (Part I); President of Treasury Board (s. 88.2) and Minister of Finance (s. 116 (3))

*"An Act to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors."*

The Canada Pension Plan became law on May 5, 1965, and went into effect for compulsory contribution purposes on January 1st, 1966. Full retirement pensions at age 65 became available in January, 1976.

Legislation has insured that pensions will increase after retirement to compensate for changes in the cost of living and inflation. This same legislation provides for adjustment in "average earnings" upon which pensions are based in keeping with rising wage rates.

The maximum contributions to the plan are based upon a formula that provides for a rate of 1.8 per cent of pensionable earnings deducted from pay. Self-employed contributors pay a rate of 3.6 per cent.

Effective January 1, 1977 maximum pensionable earnings are \$9,300 while the annual basic exemption is \$900. This means that the maximum amount of earnings subject to the pension premium will be \$8,400.

Salary paid to a spouse is not eligible as earnings for contributions to the Plan. If the spouse of an employee is a partner in the employing business, a percentage of the employee's earning, equal to the percentage of interest of the spouse in the partnership, is excluded from eligible earnings. All employees of a corporation, including shareholders, are eligible to participate in the Plan. A son working for his father, who is not a dependent, and is over 18 years of age is required to contribute based on his earnings. Persons under 18 years of age, or over 70 years, are not eligible to contribute.

Farmers are required to deduct C.P.P. contributions monthly from employees equal to 1.8% of the employee's wages, and to match this amount with a similar contribution of 1.8% and to forward both amounts to the Department of National Revenue by the 15th of the following month. Payments may be made at any chartered bank. Payments to individual employees who earn less than \$250. or work less than 25 days per year are not subject to contributions. Bonuses, holiday pay, and the value of board and lodging are included when determining income of an employee. Contributions to the Canada Pension Plan are based on earned income. Investment income is not included. Earned income for average type farm operations filing on the cash basis would be farm receipts less farm expenses and depreciation. Contributions to the C.P.P. are deductible from income for income tax calculation. Contributors may collect their pension at 65 or choose to delay receiving it up to their 70th birthday.

Benefits payable under the Canada Pension Plan are:

**Retirement Pensions:** a monthly pension payable as early as age 65

**Disability Benefits:** (a) a monthly pension for contributors who become disabled, within the meaning of the Canada Pension Plan Act, before reaching age 65 (b) monthly benefits for the dependent children of the disabled contributor.

**Survivors' Benefits:** (a) a death benefit payable to the estate (b) a monthly pension for the surviving spouse (c) monthly benefits for the dependent children.

Canada Pension Plan benefits are not paid automatically. An application must be filed.

## IV. PRODUCTION

### 1. General

**CRIMINAL CODE, R.S.C. 1970, c. C-34** Amendments: c.11 (1st Supp.); c.2 (2nd Supp.); 1972, c.13; 1973-74, cc. 17,38,50; 1974-75-76, cc. 19, 48, 105

Minister of Justice

*“An Act respecting the Criminal Law”*

Section 188 of the Criminal Code is under the jurisdiction of the Minister of Agriculture. It covers the pari-mutuel race track system of betting. It limits the number of races permissible per day, under this system, to ten, unless the Minister of Agriculture approves of additional races. These additional races must have been previously scheduled and cancelled due to unforeseen circumstances. There must be two cards for the races run that day, each having between eight and ten races; the second card not to commence before two hours after the first card has ended.

No pari-mutuel system of betting can be undertaken unless approved by the Minister of Agriculture and its operation supervised by someone appointed by him. The Minister may make regulations regarding the supervision and operation of pari-mutuel systems, amounts payable to race track authorities per dollar wagered, the conduct of races including photo finishes, saliva testing, the possession and administering of drugs, and the provision of proper facilities for supervision and operation.

Section 190 governs the conduct and management of a lottery scheme in an agricultural fair or exhibition and Section 298 sets out penalties for persons who fraudulently take, receive, hold, purchase or sell cattle that are found astray; or deface brand marks on cattle.

Section 389 states that persons who willfully set fire to a building, a stock of vegetable produce or of mineral or vegetable fuel, a crop which is standing or cut down, or any wood, forest or natural growth, are guilty of an indictable offence. Section 398 provides penalties for persons who illegally interfere with the boundary markings of a piece of land;

Section 400-403 set out penalties for persons who attempt to kill, maim, wound, poison, injure or neglect any livestock or other animal or bird.

### **FERTILIZERS ACT, R.S.C. 1970, c. F-9**

Minister of Agriculture

*“An Act for the regulation and control of agricultural fertilizers.”*

Fertilizers and supplements may only be sold in or imported to Canada if they have been registered, packaged and labelled as prescribed and if they conform to the standards as set down in the Act. The Governor in Council may make regulations respecting the registration, prescribing the standards and providing for the packaging and labelling of fertilizer and supplements. Provision is also made for the registration of fertilizer containing a pest control product.

Inspectors and analysts may be appointed to aid in the administration and enforcement of the Act. Inspectors are also empowered to examine and sample material regulated by the Act and to seize material where the provisions are being violated. No person is permitted to sell any fertilizer or a supplement which, when used according to directions, contains ingredients harmful to plant growth.

## **INSPECTION AND SALES ACT, R.S.C. 1970, c. I-14**

Minister of Agriculture; and Minister of Consumer and Corporate Affairs

*“An Act to regulate the inspection and sale of binder twine and to establish the weight of a bushel for certain commodities commonly sold by the bushel.”*

This Act requires that every ball of binder twine sold or offered for sale in Canada be properly and correctly labelled with the name of the dealer and the number of feet of twine per pound in the ball. Binder twine manufactured for export only need not be so labelled. Regulations are set out regarding the labelling of binder twine damaged by fire or water and offered for sale in Canada. Provision is made for inspection of this item in any premises, and the imposition of penalties for first and subsequent offences are included.

Under Part II of the Act the Minister of Agriculture may make regulations:

- (a) prescribing a standard of grade, class or quality for flax fiber and the names or marks that may be used to designate such grade, class or quality;
- (b) providing for inspection, grading and labelling of flax fiber, the form, issue and use of inspection certificates and prescribing inspection fees; and
- (c) generally for carrying out purposes or provisions of this Part.

Flax fiber may not be exported from Canada or from one province to another in Canada unless it is inspected, graded, marked or designated and labelled in accordance with the regulations made under this Part.

Legal weights are established for each bushel of various seeds, grains, field crops, and malt, and of bituminous coal and of lime in contracts for the sale and delivery of these articles.

## **PEST CONTROL PRODUCTS ACT, R.S.C. 1970, c. P-10**

Minister of Agriculture

*“An Act to regulate products used for the control of pests and the organic function of plants and animals.”*

A control product under this Act is defined as ‘any product, device, organism, substance or thing that is manufactured, represented, sold or used as a means for directly or indirectly controlling, preventing, destroying, mitigating, attracting or repelling any pest.’

The Act enables the Minister of Agriculture to make regulations regarding the manufacture, storage, sale, advertising, labelling, importing, exporting or other use of these products.

Inspectors are appointed to enforce the provisions of the Act.

## **PESTICIDE RESIDUE COMPENSATION ACT, R.S.C. 1970, c. P-11**

Minister of Agriculture

*“An Act to provide compensation to farmers whose agricultural products are contaminated by pesticide residue and to provide for compensation awards.”*

The Act provides for compensation to a farmer under certain circumstances where the sale of a product would be contrary to the Food and Drugs Act because of the pesticide residue.

The Minister may make regulations concerning eligibility for compensation, the method of calculating the amount of compensation with respect to loss, terms and conditions of payments, maximum and minimum compensation, exclusion of certain products, and any other regulations necessary to carry out this Act.

The Minister may designate any qualified person as an inspector who may at any reasonable time enter any place or premises to carry out an investigation by opening any container or package and examining anything that the inspector has reason to believe will assist him in his investigations, and taking samples thereof.

Penalties are provided for, and the Governor in Council may appoint an Assessor and Deputy Assessors to hear and determine appeals for compensation under this Act.

The decision of the Assessor on any appeal is final and conclusive and not subject to appeal or review by any court.

## 2. Crops

### HAY AND STRAW INSPECTION ACT, R.S.C. 1970, c. H-2

Minister of Agriculture

*“An Act respecting the inspection and grading of hay and straw”.*

This Act empowers the Minister of Agriculture to appoint inspectors, to establish regulations, prescribe standards for and to certify by inspection certificate, the class, quality and/or condition of hay and straw.

### PLANT QUARANTINE ACT, R.S.C. 1970, c. P-13 C.I.F. December, 1976

Minister of Agriculture

*“An Act to prevent the introduction or spreading of pests injurious to plants.”*

The Act repeals the Destructive Insects and Pests Act.

The clauses include:

- (a) provisions for the introduction of improved plant quarantine methods and disinfection techniques.
- (b) authority to regulate the introduction and movement within Canada of plants and other matter infested or likely to be infested with a pest, or that constitute a biological obstacle to the effective control of pests.
- (c) authority to restrict from general or specific agricultural use properties or premises which are infested, as a measure to prevent or control the dissemination of injurious plants, pests and diseases.
- (d) Provisions for the awarding of compensation for any plant or other matter destroyed or prohibited from sale, or property restricted from use under this Act.
- (e) a provision for the establishment of plant health and crop certification standards of plants or other matter that are to be exported or transported from one area to another within Canada.



### 3. Livestock

#### ANIMAL DISEASE AND PROTECTION ACT, RSC 1970, c. A-13 1974-75-76, c. 86 (not in force 1.11.76)

Minister of Agriculture

*"An Act respecting infectious or contagious diseases affecting animals and the protection of animals."*

In the language of, the Act, "reportable disease means African Swine Fever, analplasmosis, anthrax, avian pneumoencephalitis (Newcastle Disease), blue-tongue, brucellosis, cysticercosis (bovine), equine infectious anemia, equine piroplasmosis, foot and mouth disease, Fowl Plague, fowl typhoid, glanders, hog cholera, maladie du coit (dourine), mange, pullorum disease, rabies, rinderpest, scrapie, sheep scab, trichinosis, tuberculosis, vesicular disease of swine, vesicular exanthema of swine, vesicular stomatitis or such other disease as may, from time to time, be designated by the Minister."

The Act provides the Minister and the Governor in Council with the authority necessary to control infectious and contagious diseases (including reportable diseases) among animals and to provide compensation for the destruction of animals, animal by-products and for other things destroyed under the Act as prescribed.

Every owner of animals and every breeder of or dealer in animals, every veterinarian, and every one bringing animals into Canada, must immediately notify the nearest veterinary inspector of the Department of Agriculture when a reportable disease is discovered. Every owner of animals who fails to give notice of disease forfeits his claim to compensation for any animal destroyed under this Act, and no compensation is payable to him.

The conditions that could result in the destruction of diseased animals, animal products, etc. are outlined in Section II. The Minister may order compensation to be paid to owners of animals or other things destroyed under this Act.

The amount of compensation is to be the market value that they would have had immediately before destruction if they had not been subject to destruction under this Act, except that the compensation cannot exceed the amount prescribed by the Governor in Council.

In the case of cattle or sheep destroyed under any area or herd disease eradication program, the maximum compensation prescribed by the Governor in Council is reduced by the appraised value of the carcass.

Under Section 15 the Minister may, by order, prohibit importation of animals and related things for the purpose of preventing the introduction into Canada of infectious or contagious diseases among animals.

Other sections of the Act prohibit the removal of animals and related things from infected places without a licence; give the Governor in Council power to set conditions for transportation of animals within and from Canada; and describe individual responsibilities, offences and penalties under the Act.

#### FEEDS ACT, R.S.C. 1970, c. F-7

Minister of Agriculture

*"An Act to control and regulate the sale of feeds."*

'Feed' is defined as any substance or mixture of substances containing proteins, carbohydrates, fats, minerals, condiments or vitamins manufactured and sold for livestock consumption. No person may sell or import into Canada any feed unless it has been registered, packaged and labelled as prescribed and conforms to prescribed standards. Inspectors and analysts enforcing this Act may enter any place and sample any feed to which the Act applies, and examine books or other documents relating to feed. The inspectors may seize and detain any article by means of which any violation was committed.

The Governor in Council may make regulations covering registration of feeds, sampling, packaging, labelling and any other particulars necessary for carrying out the Act.



**LIVESTOCK FEED ASSISTANCE ACT, R.S.C. 1970, c. L-9**

Minister of Agriculture

*“An Act to provide assistance to livestock feeders in Eastern Canada and British Columbia.”*

The Act establishes the Canadian Livestock Feed Board and provides for the setting up of an advisory committee to report to the Board and the Minister of Agriculture.

The objectives of the Board are to ensure:

- (1) the availability of feed grain to meet the needs of livestock feeders,
- (2) the availability of adequate storage space in Eastern Canada for feed grain to meet the needs of livestock feeders,
- (3) reasonable stability in the price of feed grain in Eastern Canada and in British Columbia, and
- (4) fair equalization of feed grain prices in Eastern Canada and British Columbia.

To carry out its objectives, the Board may make payments related to the cost of feed grain in Eastern Canada and payments related to the cost of feed grain transportation to, or for the benefit of, livestock feeders in accordance with the regulations. It may, by order, require any person engaged in the business of storing, handling and shipping feed grain in Eastern Canada and British Columbia, or any livestock feeder, to furnish in writing information relating to feed grain consumption, storage, handling, shipping or pricing in Eastern Canada and British Columbia.

The Board may, subject to regulations, buy or enter into contracts or agreements for the purchase of feed grain in Eastern Canada, British Columbia and the designated areas (Manitoba, Saskatchewan, Alberta and certain areas of British Columbia). It may obtain a licence to import feed grain and buy or enter into a contract or agreement for the purchase of feed grain from outside Canada.

The Governor in Council may make regulations concerning payments for feed grain storage and transportation and give authorization for the Board to exercise its powers.

By agreement with the Governor in Council, the Minister of Finance may make advances to the Board, but the total amount of such advances outstanding at any one time must not exceed \$50 million.

**LIVESTOCK PEDIGREE ACT, R.S.C. 1970, c. L-10**

Minister of Agriculture

*“An Act respecting the incorporation of purebred livestock record associations.”*

This Act provides for the incorporation of associations for the purpose of keeping a record of purebred domestic livestock of distinct breed, or several records each of a distinct breed of the same species of animals. Only one association for each distinct breed or for a number of breeds of the same species may be incorporated under this Act. Applications for registration are checked, and if in conformity with the Act and by-laws of the Association concerned, are sealed and approved by the Minister of Agriculture.

Associations incorporated in accordance with the provisions of this Act may affiliate for keeping livestock records, issuing certificates of registration and of transfer, and for performing such other services on behalf of the affiliated associations as are authorized by the articles of affiliation. Such an affiliation is to be known as the Canadian National Livestock Records.

The articles of its affiliation shall:

- (a) provide for a governing body known as the Canadian National Livestock Board which shall be representative of the affiliated associations;
- (b) provide for an administrative committee known as the Canadian National Livestock Record Committee;
- (c) provide for a Director of Canadian National Livestock Records;
- (d) provide for proper representation from the various affiliated breed associations to the Board; and
- (e) prescribe the power and authority of the Canadian National Livestock Records on behalf of the affiliated associations.

The Minister of Agriculture is represented on the Canadian National Livestock Record Board and Committee by the Chief Registration Officer. It is the latter's duty to maintain contact with the breed associations and advise the Minister on proposed amendments or changes of the constitutions of the various breed associations, and to represent unincorporated associations. No amendment can become effective until approved by at least two-thirds of the associations and by the Department. Investigations of alleged irregularities are to be carried on and prosecutions, where necessary, are to be conducted.

## V. MARKETING

### 1. General

#### AGRICULTURAL PRODUCTS BOARD ACT, R.S.C. 1970, c. A-5

Minister of Agriculture

*"An Act to provide for the establishment of an agricultural products board."*

This Act defines 'Agricultural products' as 'livestock and livestock products, poultry and poultry products, milk and milk products, vegetables and vegetable products, fruit and fruit products, honey, maple syrup, tobacco, fibre and fodder crops, and any product of agriculture designated by the Governor in Council as an agricultural product for the purposes of this Act.'

Under the regulations, the Agricultural Products Board may, with the authority of the Governor in Council and under the direction of the Minister of Agriculture:

- (a) sell or deliver agricultural products to the government of any country pursuant to any agreement made by the Federal Government with the government of such country, and for those purposes may purchase agricultural products and make such arrangements for the purchase, sale or delivery of agricultural products as it considers necessary or desirable;
- (b) purchase or negotiate contracts for the purchase of agricultural products on behalf of the government of any country;
- (c) buy, sell or import agricultural products;
- (d) by order require any person to give such information respecting agricultural products as may be necessary for the proper administration of this Act; and
- (e) store, transport, or process, or enter into contracts for the storing, transportation or processing of, agricultural products.

The Act further stipulates that the Board is not permitted to sell, without the approval of the Governor in Council an agricultural product pursuant to subsections (a) and (c) at a price lower than the purchase price plus handling, storage, and transportation costs.

The Board is also empowered to buy and distribute agricultural products under the powers given to it by the Agricultural Stabilization Act.

#### AGRICULTURAL PRODUCTS CO-OPERATIVE MARKETING ACT, R.S.C. 1970, c. A-6

Amendments: c.1 (1st Supp.):  
1974-75-76, c. 85

Minister of Agriculture

*"An Act to assist and encourage co-operative marketing of agricultural products."*

In this Act, "agricultural product" means any kind of grain other than wheat that is grown in the area defined by the Canadian Wheat Board Act, milk and milk products, livestock and livestock products, fruit and fruit products, poultry and poultry products, honey, maple syrup, tobacco and any other products of agriculture that might be so designated by the Governor in Council.

The Minister may by agreement with a co-operative association of primary producers, processors or selling agency, undertake that if the average wholesale price of an agricultural product produced and delivered during the year under one only co-operative plan is less than the initial payment together with the actual processing, carrying and selling costs, there shall be paid the amount by which

the initial payment together with such cost exceeds the average wholesale price aforesaid, computed on the amount of agricultural product delivered.

With respect to the initial payment, the Minister is granted discretionary power to determine the amount by which the average wholesale price will exceed the processing, carrying and selling costs of the product in that year.

The Minister may prescribe:

- (a) the manner in which the average price or average wholesale price of an agricultural product is ascertained;
- (b) the manner of ascertaining the proportion of primary producers to which the plan will apply, and the proportion of agricultural products to be marketed in the area.

No agreement may be made unless the co-operative plan applies to a sufficient proportion of producers' products so that the Minister judges that the marketing of the products under the plan will benefit the primary producers.

#### **AGRICULTURAL PRODUCTS MARKETING ACT, R.S.C. 1970, c. A-7**

Minister of Agriculture

*"An Act to provide for the marketing of agricultural products in interprovincial and export trade."*

Under this act, the Governor in Council may authorize any board or agency of any province to exercise powers for regulating the marketing of any agricultural product in interprovincial and export trade like the powers authorized under the laws of that province for regulating the marketing of such agricultural product locally within that province.

The Governor in Council may grant to any board or agency (subject to this Act and any provincial marketing law) the following authority:

- (a) to fix, impose and collect levies or charges from persons engaged in production or marketing of the whole or any part of any agricultural product;
- (b) to use such levies or charges for the purposes of such board or agency including the creation of reserves and the payment of expenses and losses resulting from sale or disposal of such agricultural products;
- (c) the Governor in Council, may, by order, revoke any authority granted under this section.

Penalties are prescribed for those who violate the provisions of this Act.

#### **CANADA AGRICULTURAL PRODUCTS STANDARDS ACT, R.S.C. 1970, c. A-8**

Minister of Agriculture; and Minister of Consumer and Corporate Affairs (s.7)

*"An Act to establish national standards for agricultural products and to regulate international and interprovincial trade in agricultural products."*

This Act, established in 1955, is an umbrella statute for standardizing and grading all agricultural products now covered by the Canada Dairy Products Act, the Fruit, Vegetables and Honey Act, the Livestock and Livestock Products Act, the Maple Products Industry Act and parts of the Meat and Canned Foods Act. It also includes leaf tobacco and fur-bearing animals raised in captivity.

Grades, packing and marking requirements apply to all these commodities.

**COLD STORAGE ACT, R.S.C. 1970, c. C-22**

Minister of Agriculture

*"An Act to encourage the establishment of and to regulate Cold Storage Warehouses for the preservation of perishable food products."*

This Act provides that the Governor in Council may enter into contracts through the Minister of Agriculture with any persons for the construction, equipment and maintenance, in Canada, of public cold storage warehouses equipped with some mechanical refrigeration and suitable for the preservation of food products. Subject to Government specifications, a subsidy may be made, not exceeding  $33 \frac{1}{3}$  percent of the amount expended or approved in construction and equipment of a warehouse. The subsidy is payable on completion of the warehouse to the satisfaction of the Minister. To meet his approval it must be suitable for the preservation of perishable foods and food products.

**FARM PRODUCTS MARKETING AGENCIES ACT, SC 1970-71-72, c. 65**

Minister of Agriculture

*"An Act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products"*

Part I of this Act provides for the establishment of a National Farm Products Marketing Council. Members are to be appointed by the Governor in Council in a manner that will ensure equal representation from Western, Central and Atlantic Provinces.

The duties of the Council are:

- a) to advise the Minister of Agriculture on all matters relating to the establishment and operation of agencies under this Act, with a view to maintaining and promoting an efficient and competitive agriculture industry.
- b) to ensure that agencies are maintaining efficient and competitive production and marketing practices and are sensitive to the interests of producers and consumers.
- c) to work with agencies in promoting more effective marketing of farm products in interprovincial and export trade.

The Council is empowered, on request by a group of producers or if directed by the Minister of Agriculture or on its own initiative, to

- a) inquire into the merits of establishing an agency for a particular farm product or group of products.
- b) inquire into the merits of broadening the authority of an existing agency.
- c) review an amendment to a marketing plan submitted to it by an agency and to review a proposed marketing plan submitted by an agency which does not have the power to implement it.
- d) review operation of agencies on an annual basis.
- e) review all orders and regulations proposed or made by agencies and, where it is satisfied that they are necessary for the implementation of a marketing plan that the agency is authorized to implement, to approve the orders and regulations.
- f) investigate complaints from any person who is directly affected by the operations of an agency.
- g) conduct studies into any matter relating to the marketing of a farm product in the provincial and export trade, and report its recommendations to the Minister.

The Council shall not recommend the establishment or broadening of the powers of an agency unless it is satisfied that a majority of the producers of the particular farm product or products are in favour of such action.



Part II of this Act provides for the establishment of a national marketing agency by proclamation of the Governor in Council, for any farm product in which export and inter-provincial trade is not related to the Canadian Wheat Board Act or the Canadian Dairy Commission Act, and where a majority of the producers of the farm product or products concerned are in favour of such an agency.

The proclamation establishing the agency shall set out the powers of the agency over the designated farm product and the terms of its marketing plan, and shall fix the number of members (not less than three and not more than twelve, the majority of whom are to be primary producers) and the manner of their appointment. Furthermore, the Governor in Council can make any changes in existing agencies he deems necessary (subject to the limitations mentioned above).

A proclamation which designates a farm product (other than eggs and poultry) shall not set out as a term of the marketing plan, that an agency is empowered to fix and determine the quantity in which any regulated product could be marketed in interprovincial or export trade.

Subject to the proclamation by which it is established, and to any subsequent proclamation altering its powers, an agency may

- a) buy any regulated product or similar product to which it applies and dispose of it as it sees fit.
- b) implement a marketing plan.
- c) submit to Council a marketing plan.
- d) undertake and aid in advertising, quality improvement, research into new markets and publication of information related to the product.
- e) designate bodies which it considers necessary to implement a marketing plan.
- f) make orders and regulations which it considers necessary to implement a marketing plan and to submit it to the Council for approval.
- g) charge fees, deal in property, establish branches, employ agents, invest money, and borrow on credit.

The Minister of Agriculture, with the approval of the Governor in Council, may enter into an agreement with any province enabling an agency to perform, on behalf of that province, functions relating to interprovincial trade of the relevant product or to any other matter agreed upon.

**FOOD AND DRUGS ACT, R.S.C. 1970, c. F-27**      Amendments: Sch. B, 1970-71-73; Sch. C, 1971-1972; Sch. G, 1970-71-73;  
Sch. H, 1973-74

Minister of National Health and Welfare; and Minister of Consumer and Corporate Affairs (s.25)

*“An Act respecting food, drugs, cosmetics, and therapeutic devices.”*

This Act makes specific provision for the keeping of records by manufacturers of foods, drugs or cosmetics, and prohibits the sale of foods, drugs and cosmetics that were packaged and stored under unsanitary conditions. There is no forfeiture of goods without the consent of the owner unless a judicial officer determines whether or not the goods are in conformity with the Act and whether the forfeiture should be undertaken.

Under the Act no person may sell food that is unfit for human consumption; that contains poisonous, harmful, filthy, putrid or diseased vegetable or animal matter; that was manufactured or packaged under unsanitary conditions, or is below prescribed standards; that is labelled, packaged, treated, processed, advertised or sold in a deceptive manner regarding its character, value, quantity, composition, merit or safety; or that is advertised as a treatment, preventive or cure for any of the 36 diseases, disorders or abnormal physical states mentioned in Schedule A (cancer, diabetes, epilepsy, venereal disease, tuberculosis, etc.)

The Act provides for inspection of articles and any necessary procedures to be followed as a result of the inspection.

The Governor in Council may make regulations concerning:

- (a) the adulteration of any food, foodstuff, or drug;
- (b) any or all stages of preparation, manufacture, packaging, labelling, importation and sale of foods, drugs, cosmetics and devices, to prevent misrepresentation to or to protect the health of the purchaser;



- (c) standards of composition, strength, potency, purity or quality of the items listed in (b); and
- (d) the manner in which the manufacturers, inspectors, and analysts must comply with the provisions of the Act.

These provisions do not apply to articles which are exported. Such articles are marked and certified so as not to contravene any law of the country of destination.

Penalties are set out for those who violate the provisions of the Act or regulations thereunder.

## 2. Crops

### CANADA GRAIN ACT, SC 1970-1971-1972, c.7      Amendments: Sch. A and Sch. I

Minister of Agriculture

*"An Act respecting grain"*

This Act supersedes the former Grain Act (RSC 1970, G-16). It replaces the Board of Grain Commissioners with the Canada Grain Commission. The Commission is to establish and maintain standards of quality for Canadian grain and to regulate grain handling in order to ensure a dependable product for domestic and export markets.

It establishes an eastern grain standards committee and a western grain standards committee. The duty of each is to select and make recommendations to the Commission concerning grain grades and standards for those grades. A schedule, establishing certain 'statutory' grades, is set out at the end of the Act.

The Canada Grain Commission has jurisdiction over the inspection of grain; the issuing of licenses to elevator operators and grain dealers; and the regulation of procedures and facilities for transporting and storing grain.

The Act also provides for a tribunal to handle complaints and appeals regarding the grading of grain and for grain elevators to be declared works for the general advantage of Canada.

### CANADIAN WHEAT BOARD ACT, R.S.C. 1970, c. C-12      Amendments: c.15 (2nd Supp.); 1972, c.16; 1974-75-76, cc.27, 109

Minister Responsible for the Canadian Wheat Board (Hon. O.E. Lang)

*"An Act to provide for the constitution and powers of the Canadian Wheat Board."*

This Act provides for the establishment of a Canadian Wheat Board and an Advisory Committee, authorized to market Canadian-grown grain in interprovincial and export trade. The word 'grain' in the act includes wheat, oats, barley, rye, rapeseed and flaxseed in designated areas which comprise Manitoba, Saskatchewan, Alberta, the Peace River District and Creston-Wyndel Areas of British Columbia, and certain other parts of British Columbia and Ontario that the Board from time to time may designate as lying in the Western Division.

The Board is empowered to acquire, store, transfer, transport or dispose of grain, and to enter into a contract of agreements and employ whatever marketing agencies are required to implement the sale of grain in and outside of Canada.

Under Part II and Section 21, the Board may

- (a) prescribe the manner of application and issuing of permit books, and the recording of deliveries.
- (b) fix, from time to time, the quotas of each kind of grain, or any grade or quality thereof, that may be delivered by producers to elevators or railway cars, within any period it specifies, for any area it specifies, or for specified delivery points.
- (c) prohibit any elevator from delivering grain, or exclude any type of grain from delivery.
- (d) provide for the allocation of railway cars available for the shipment of grain at any delivery point to any elevator, loading platform or person at the delivery point.

A major function of the Board is to promote the sale of Canadian wheat in world markets. For this purpose it may sell grain at what it considers a reasonable price.

Under Part III the Board is authorized to undertake the marketing of wheat produced in the designated areas in interprovincial and export trade, and for such purposes shall:

- (a) buy all wheat produced in the designated areas, offered by a producer for sale and delivery to the Board at an elevator or in a railway car in accordance with conditions of the Act.
- (b) pay to any producer selling and delivering wheat produced in the designated area to the Board, a sum certain per bushel, basis in store at Thunder Bay or Vancouver to be fixed from time to time by regulation of, or with the approval of, the Governor in Council.

The Board may pay the producer a sum per bushel for storage on the producer's farm, equal to the amount payable for storage in a country elevator. It may, upon application by a producer, issue him a deferred delivery permit for grain he was unable to deliver during the preceding crop year. Wheat delivered and sold in a crop year under a deferred delivery permit is deemed to have been delivered and sold during the immediately preceding crop year.

Under Part III "Regulations of Interprovincial And Export Trade in Wheat" states that, except as permitted under the regulations, no persons other than the Board shall:

- (a) export from or import into Canada wheat or wheat products owned by persons other than the Board;
- (b) transport or cause to be transported from one province to another province, wheat or wheat products owned by a person other than the Board;
- (c) sell or agree to sell wheat or wheat products situated in one province for delivery in another province or outside of Canada; or
- (d) buy or agree to buy wheat or wheat products in one province for delivery in another province or for delivery outside of Canada.

Under Part V the Governor in Council may extend the application of Part III or Part IV, or both to oats barley, or both. This has been done by regulations.

## **FRUIT, VEGETABLES AND HONEY ACT, R.S.C. 1970, c. F-31**

Minister of Agriculture

*"An Act respecting fruit, vegetables and honey".*

This Act empowers the Minister of Agriculture to make regulations governing the inspection, quality, standards, shipping and licensing of dealers in these products, whether domestically produced or imported. The Minister may also establish standards of cleanliness for all premises where these products are assembled, graded or packed.

Every commission agent, dealer and broker who deals in fruits and vegetables shipped from a point outside the province in which he carries on business, must be licensed by the minister, and all persons who assemble or ship honey for export or interprovincial trade must be registered in accordance with the regulations.

No person may ship, transport, pack, advertise, display, offer for sale or sell any products that have not been graded and inspected. Packages must be packed and marked in accordance with the provisions of this Act. Inspectors may be appointed to enforce this Act.

## **GRAIN FUTURES ACT, R.S.C. 1970, c. G-17      Amendments: c.15 (2nd Supp.)**

Minister of Agriculture

*"An Act to provide for the supervision and regulation of trading in grain futures."*

The Act includes trading in wheat, oats, barley, rye, flaxseed and corn. It empowers the Canadian Grain Commission, under authority of the Minister, to make regulations for registration of members of the Winnipeg Commodity Exchange (formerly the Winnipeg Grain Exchange) and the Winnipeg Grain and Produce Exchange Clearing Association Limited; also the inspection of books, records and trading transactions; and publication of information and statistics concerning the marketing of grain.

Three steps that can be taken by the Grain Commission when grain futures are threatened by undue fluctuations in price are specified in the Act.

The Commission may:

- (a) fix the minimum margin which shall be deposited in connection with trading and grain futures;
- (b) fix the maximum amount of any kind of grain that any person may, in any period of time, commit himself or be under commitment, by means of grain futures, to accept or deliver, unless such contracts are offset in quantity by the purchase or sale of cash grain or ownership of grain or grain products (ie. bona fide hedging transaction);
- (c) suspend from trading privileges any member of the Exchange if, in the opinion of the Board, such member has been guilty of a breach of this Act or any regulations made thereunder.

The Commission is also empowered to revoke or vary any rule or by-law of the Exchange and further to hear and determine grain exchange committee appeals arising out of the alleged failure by any person to make delivery of grain in accordance with the terms of a grain futures contract.

## MAPLE PRODUCTS INDUSTRY ACT, R.S.C., 1970, c. M-2

Minister of Agriculture; and Minister of Consumer and Corporate Affairs

*"An Act respecting the manufacturing, inspection and sale of maple products."*

This Act prohibits the manufacture or sale of any product that is a colourable imitation (any type or combination of sugar to which artificial maple flavour has been added) of a maple product, unless that product is clearly marked with the manufacturer's name and address, the ingredients of the product, and the words: 'artificially maple flavoured'. It also prohibits the manufacture or sale of any maple product that has been adulterated.

Use of the word 'maple' alone or in combination with any word, letter or syllable, on any label, is restricted to maple products, except as provided in the Act or in the trade name or in the description of artificial maple flavours and extracts.

Inspectors designated by the Minister of Agriculture or by the Minister of Consumer and Corporate Affairs are empowered to enforce this Act.

The Act further stipulates:

- a) that all manufacturing or packing plants are required to register with the Department of Agriculture in Ottawa.
- b) any manufacturing or packing plant shipping maple products from one province to another or exporting such products, is required to obtain a license (renewable annually) at a fee fixed by the Minister of Agriculture. A sugar camp wishing to carry out the above mentioned activities must also obtain a license which is issued without fee.
- c) records, in a form prescribed by the Minister, of all maple products purchased and sold, together with the name and address of the vendor or purchaser, shall be kept in each manufacturing or packing plant.
- d) containers of maple products for the retail trade shall have clearly and legibly affixed: 1) the common name of the product, 2) the net weight of its contents, 3) the name and address of the manufacturer or packer, or of the sugar orchard, and 4) the license number, if any.

SEEDS ACT, R.S.C. 1970, c. S-7

*"An Act respecting the testing, inspection and sale of seeds."*

Under this Act, 'Seed' means the seed of any cereal, forage, legume, turf, root, vegetable, tobacco, fibre or oil bearing crop, growing, sold or represented for sale for the purposes of propagation.

Except as provided by the regulation, no person shall:

- (a) sell, import into Canada, or export out of Canada any seed unless the seed conforms to the prescribed standard and is marked and packed, and package-labelled as prescribed;
- (b) sell or advertise for sale in Canada or import into Canada seed of a variety that is not prescribed by the Minister for sale or importation into Canada.

The Governor in Council may make regulations prescribing:

- (a) the establishment of grades using the standards of the Canadian Seed Growers' Association;
- (b) the terms and conditions and the manner in which seed crops may be inspected or seeds may be graded or tested;
- (c) the minimum standards of purity, germination, quality and disease for seeds;
- (d) the requirement of the packing and marketing of seeds and the marking and labelling of the packages thereof;
- (e) the terms and conditions under which variety names of seeds may be used;
- (f) the requirements for exempting any seed or any person from the operation of all or any of the provisions of this Act;
- (g) the taking of samples and testing of seeds for the purpose of this Act;
- (h) the fees that may be charged for any services provided under this Act.

The Minister may by order prescribe the varieties of seeds that may be sold in Canada or imported into Canada and the species of plants, the seeds of which he deems to be weed seeds for the purpose of establishing grades under this Act. The seed potato certification regulations, which previously came under the Destructive Insect and Pest Act (repealed 1.12.76) now come under this Act.



**WHEAT CO-OPERATIVE MARKETING ACT, R.S.C. 1970, c. W-9**

Minister of Agriculture

*“An Act to encourage the co-operative marketing of wheat.”*

This Act applies to spring wheat grown in the provinces of Manitoba, Saskatchewan, Alberta and part of British Columbia.

The Act provides that the Minister of Agriculture may, with the approval of the Governor in Council and by agreement of any selling agency, undertake that, if the average sale price of all wheat of any grade grown in a crop year delivered to the selling agency under one only co-operative plan is less than a sum certain per bushel, to be fixed by the agreement in the case of each grade of wheat, but which sum certain shall, in the case of wheat grade No. 1 Manitoba Northern in store at Thunder Bay, be 60 cents, there shall be paid to such selling agency the amount, if any, by which the initial payment together with storage, carrying and transportation charges and operating expenses exceeds the average sale price aforesaid computed on the number of bushels so delivered. However, the initial payment shall not, in the case of wheat of any grade, exceed the sum certain per bushel aforesaid, fixed by the agreement for such grades of wheat. The maximum that may be paid hereunder shall not exceed the difference between the average sale price aforesaid and said sum certain per bushel fixed by the agreement for such grade of wheat computed as aforesaid.

No payment other than the initial payment shall be made to primary producers by a selling agency without the approval of the Governor in Council. He may, on recommendation of the Minister of Agriculture, also make regulations concerning the terms and conditions of the agreements.

**3. Livestock**

**CANADA DAIRY PRODUCTS ACT, R.S.C. 1970, c. D-1**

Minister of Agriculture; and Minister of Consumer and Corporate Affairs (s.6)

*“An Act to establish national standards for dairy products and to regulate interprovincial and international trade in dairy products.”*

The purpose of this Act is to establish a standard for national and international consumption of dairy products.  
The Act

- (a) prescribes the terms and conditions on which products may be graded under this Part;
- (b) requires as a condition to the grading of a dairy product under this Part, that it has been produced in an establishment that complies with prescribed regulations and is registered in a prescribed manner;
- (c) prescribes fees that may be charged for grading;
- (d) prescribes the specification of packages, and the manner in which a dairy product may be packed, as a condition for the use of the name of a grade so established.

Provision is made for the appointment of such inspectors, dairy produce graders and other persons as are necessary for the administration and enforcement of this Act, and for penalties for violations of the Act or regulations.

**CANADIAN DAIRY COMMISSION ACT, R.S.C. 1970, c. C-7**      Amendments: 1974-75-76, c.74, Sch. (Agr.) Vote 50a

Minister of Agriculture

*“An Act to provide for the establishment of a Dairy Commission for Canada.”*

For the purposes of this Act ‘dairy products’ means milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder, dry milk, ice cream, malted milk, sherbet or any other product manufactured wholly or mainly from milk; and “milk” means milk from cows and ‘cream’ means cream derived from such milk.

There shall be a corporation to be known as the Canadian Dairy Commission consisting of three members appointed by the Governor in Council.



The Minister shall appoint a Consultative Committee consisting of a chairman and eight other members.

The objects of the Commission are to foster efficient production of milk and cream to insure a fair return to labour and investment, and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality.

Subject to and in accordance with any regulation made under this Act, the Commission may:

- (a) purchase any dairy product and package, process, store, ship, insure, import, export, or sell or otherwise dispose of any dairy product purchased by it;
- (b) make payment for the benefit of producers of milk and cream for the purpose of stabilizing the prices of those products, which payments may be made on the basis of volume, quality, or on such other basis as the Commission deems appropriate;
- (c) make investigation into any matter relating to the production, processing or marketing of any dairy product, including the cost of producing, processing or marketing that product;
- (d) undertake and assist the promotion of the use of dairy products, the improvement and variety thereof and the publication of information in relation thereto; and
- (e) do all such acts and things as are necessary or incidental to the exercise of any of its powers or the carrying out of any of its functions under the Act.

For the purpose of carrying out any investigation the Commission has all the powers of a Commissioner appointed under Part I of the Inquiries Act.

The Governor in Council may make regulations concerning the marketing of any dairy product and may make regulations requiring the registration of producers of milk and cream as a condition of any payment made by the Commission.

The Governor in Council may include on the Import Control List established under the Export and Import Permits Act, any dairy product, the import of which he deems necessary to control for the purpose of implementing any action taken under this Act to support the price of that dairy product, or that has the effect of supporting the price of that dairy product.

The Act provides for appointment of inspectors, and penalties for those who violate the provisions of this Act.

## **CHEESE AND CHEESE FACTORY IMPROVEMENT ACT, R.S.C. 1970, c. C-17**

Minister of Agriculture

*“An Act to encourage the improvement of cheese and cheese factories.”*

This Act provides for the payment of a grant, not exceeding 50 percent of the amount actually expended for new material, new equipment and labor utilized in constructing, reconstructing and equipping cheese factories that are eligible for a subsidy under this Act. This grant is subject to two conditions: 1) that the cheese ripening room is efficiently insulated, or efficiently insulated and mechanically refrigerated, and 2) that each of such factories replaces two or more existing cheese factories which ceased operations before payment of the grant.

A grant may also be made of a sum not exceeding 50 percent of the amount actually expended for efficiently insulating, efficiently insulating and enlarging if necessary, and efficiently insulating and mechanically refrigerating, cheese ripening rooms of existing factories or new factories, and for new equipment and essential parts of cheese-pressing equipment required for the purpose of standardization of the diameter of the cheese.

The Governor in Council may make regulations governing the construction and equipment of factories, the standardization of cheese presses, the terms and conditions of grants and premiums, and penalties for violation of any regulation.

The Act further provides that the Governor in Council may grant to cheese factories, for distribution among producers in accordance with regulations, a sum of one cent per pound on all cheese that scores 93 points on grading, and a sum of two cents per pound on all cheese that scores 94 or more points on grading or scoring by a grader.

## **HUMANE SLAUGHTER OF FOOD ANIMALS ACT, R.S.C. 1970, c. H-10**

Minister of Agriculture

*“An Act to provide for the humane slaughter of food animals”*

This Act provides that regulations may be made by the Governor in Council which prescribe the manner of, and the methods and devices to be used in, the slaughter of food animals in federally-inspected plants. Neither meat nor meat products may move interprovincially or into export trade unless the food animal from which they were derived has been slaughtered as required by the regulations. The slaughtering establishment must also meet the requirements of the regulations.

Poultry slaughter does not come under the jurisdiction of this Act since the present methods of slaughter are considered satisfactory and poultry are not considered to be food animals. The requirements of the Act and regulations will not interfere with the ritual slaughter practices of certain religious groups.

## **LIVESTOCK AND LIVESTOCK PRODUCTS ACT, R.S.C. 1970, c. L-8**

Minister of Agriculture

*“An Act respecting stockyards, livestock and livestock products and poultry production.”*

Under Part I of this Act (Stockyards), ‘livestock’ means horses, cattle, sheep, swine, and fur-bearing animals raised in captivity.

In Part II of this Act, ‘livestock’ means cattle, sheep, swine and fur-bearing animals raised in captivity and live poultry; ‘livestock products’ means meat, raw hides and skins, raw furs, dressed poultry, eggs or wool; and “poultry” means domestic fowl, guinea fowl and pigeons.

Part I enables the Governor in Council to make regulations regarding:

- (a) The manner of construction, equipment and operations of stockyards.
- (b) The way in which sales transactions are presented, and the manner of recording receipts, classifications, weights, and purchase prices of livestock.
- (c) The manner of calf inspection and disposal.
- (d) The manner in which shippers’ trust accounts are kept by cooperative associations and commission merchants.
- (e) The way in which livestock consigned for sale or commissions may be pooled.

Part II provides that the Governor in Council may, with respect to any livestock or livestock product produced within or imported into Canada, make regulations:

- (a) prescribing standard of quality and grades;
- (b) respecting inspection, grading, packing, packaging, labelling, branding and marking;
- (c) respecting the shipping and transporting of any livestock or livestock product;
- (d) prescribing from time to time the quantity, quality, grade or class that may be exported, and the quality, grade or class that may be imported;
- (e) providing for the establishment of a service for the marketing of livestock on a basis of carcass grades;
- (f) requiring any person exporting any livestock or livestock product to obtain a license;
- (g) requiring any person engaged in the grading of any livestock or livestock product to obtain a certificate;
- (h) prescribing the grades of eggs that may be broken or dried in an egg-drying plant.

This Part also requires that all livestock and livestock products shall be made available for inspection and grading as required by the regulations and assigns powers to the inspectors and provides penalties for those who violate the provisions of the Act.

Under Part III of this Act, dealing with poultry production, 'poultry' means domestic or wild fowl or birds. This Part provides that the Governor in Council may make regulations:

- (a) prescribing the Dominion Poultry Improvement Program for the improvement of poultry stock and the eradication of disease therein;
- (b) prescribing the requirements for the production of chicks and poultry and under such program, prescribing the terms for chicks and poultry so produced, and respecting the use of such terms;
- (c) prescribing where and when the Dominion Hatchery Approval Policy and the regulations thereunder, under the Dominion Poultry Improvement Program, shall be in force;
- (d) prescribing measures for sanitation in or about hatcheries;
- (e) prescribing measures for inspection, banding and marketing of chicks and poultry;
- (f) prescribing the method of applying the pullorum test and the period during which it shall be deemed effective.

No person shall operate a hatchery within a province in which the Dominion Hatchery Approval Policy has been proclaimed unless he has secured a permit from the Minister. The shipment of chicks from any place in Canada into any province in which the Dominion Hatchery Approval Policy has been proclaimed under this Act is forbidden unless such chicks have been produced and labelled as required under such Policy, and, if such province has made pullorum testing a requirement of its flock approval policy, unless such chicks were produced in approved hatcheries using only eggs from flocks approved under a provincial flock approval policy which, in the opinion of the Minister, requires pullorum tests as stringent as those of the province into which such chicks are to be shipped.

**LIVESTOCK SHIPPING ACT, R.S.C. 1970, c. L-11**      Amendments: R.S.C. L-11 repealed. 1974-75-76, c. 86 C.I.F. 1974-75-76, c.86.  
Not in force 1.12.76

Minister of Transport

*"An Act respecting the shipping of livestock."*

For the purposes of this Act, a 'ship carrying livestock' means any ship employed in carrying livestock from any port in Canada to any port out of Canada, not being a port in the United States, St. Pierre or Miquelon, Bermuda, the West Indian Islands, Mexico or South America.

This Act empowers the Governor in Council to make regulations for the health, security and safe carriage of livestock on ships, to prescribe a fee to be paid on each head of livestock shipped before clearance is granted, and to appoint inspectors to carry out the provisions of this Act.

No customs officer may grant a clearance to any ship carrying livestock until he receives the certificate of an inspector certifying that the ship is seaworthy and meets all the requirements of the Act and regulations concerning the space and arrangements for the healthy and safe carriage of livestock and the number on board.

Penalties for violation of the Act are provided.

**MEAT AND CANNED FOODS ACT, R.S.C. 1970, c. M-6**

*"An Act respecting the inspection of meats and canned foods."*

Minister of Agriculture

All regulations made pursuant to this Act regarding the inspection of meats have been revoked and have been annexed by the Meat Inspection Act.

The Act makes compulsory the inspection of all animals intended for slaughter in an establishment or entering slaughtering areas of an establishment. Diseased animals must be slaughtered under the supervision of an inspector and these carcasses, as well as any other carcasses or parts thereof unfit for food, are to be disposed of. Farmers doing their own slaughtering are not subject to inspection provided the carcasses are not intended for export. Under the Act, all fish, fruits and vegetables or products derived therefrom, or any



food product used in any establishment where they are prepared for export, must be sound, wholesome and fit for human consumption as food.

#### MEAT INSPECTION ACT, R.S.C. 1970, c. M-7

Minister of Agriculture

*"An Act respecting the inspection of meat and meat products entering into international and interprovincial trade."*

Proper handling of meat and standards of quality are provided for in this Act, including a directive that only germicides, insecticides and rodenticides approved by the food and drug director shall be used. The Act further deals with sanitary and health matters and provides that meat products exported or moved from one province to another must be prepared in a registered establishment using only animals inspected for and after slaughter, and they must be packed and marked as prescribed by standards. Imported meat products must be handled according to the laws of the country of origin and are to be packed and marked also to conform to prescribed standards.

Regulations may be made providing for registration of establishments, for inspection, for establishment of standards for packaging and marking requirement.

Administrative provisions concern the appointment and powers of inspectors, the seizure of meat products and penalties for infringements of the Act and regulations.

The regulations revoke those previously in effect under the Meat and Canned Foods Act.

#### MILK TEST ACT, R.S.C. 1970, c. M-13

Minister of Agriculture

*"An Act to provide for the Testing of Glassware used in Connection with Milk Tests."*

The purpose of this Act is to ensure that every test bottle, pipette and measuring glass used in connection with the testing of milk or cream is to be tested for accuracy of measurement and accuracy of the percent scale marked thereon. Only those bottles, pipettes or measuring glasses which have been authorized by the Department of Agriculture can be used. It further states that no person is permitted to sell or offer to sell any bottles other than those prescribed by the regulations.

Nothing in this Act applies to burettes or measures used in connection with the Babcock Milk Test for measuring of sulfuric acid.

## VI. TRADE

### 1. Export Assistance

#### EXPORT DEVELOPMENT ACT, R.S.C. 1970, c. E-18

Amendments: c.8 (2nd Supp.); 1970-71-72 cc. 43, 63; 1973-74 c.1  
1974-75-76, c.17 Section 39 not in force 1.12.76

Ministry of Industry Trade and Commerce

*"An Act to establish the Export Development Corporation and to facilitate and develop export trade by the provision of insurance, guarantees, loans and other financial facilities."*

For the purpose of facilitating and developing trade between Canada and any foreign country, the Corporation may (a) enter into a contract of insurance with a person carrying on business or other activities in Canada to insure that person against any risk of loss under or in respect of an export transaction from any cause not avoidable by him or his foreign affiliate if any; and (b) issue guarantees (s.24).

For the same purpose, it may also enter into contracts of insurance with export credit agencies (s.25).

If it would be conducive to the development of Canadian trade the Board has the power to

- (a) lend money to a foreign customer;
- (b) guarantee repayment;
- (c) act as an agent; and
- (d) name others to act as an agency for the corporation.

The Board also has the power to accept notes, etc., of foreign customers and/or a foreign government and reschedule debts, and to purchase, sell and lend money on negotiable instruments.

The authorized capital of the Corporation is \$400 million, divided into 4 million shares with a par value of \$100 each (ss.11.1). The maximum borrowings of the Corporation pursuant to sections 12 and 13 and outstanding must not exceed an amount equal to ten times the aggregate of the subscribed capital and the amount credited to the capital surplus account of the Corporation (s. 14).

The conditions under which contracts of foreign investment insurance would not be authorized by the Governor in Council are enumerated and limits of liability are set down.

## 2. Customs and Excise

**CUSTOMS ACT, R.S.C. 1970, c. C-40** Amendments: cc. 10, 32 (2nd Supp.); 1972, c..17; 1973-75, c. 39; 1974-75-76, c.5 and c.48 C.I.F. c.5 in force 1.6.75

Minister of National Revenue

In general this Act provides that the value for duty of imported goods (sections 36 to 44) must be the fair market value of like goods as established in the home market of the exporter at the time, and place from which the goods are shipped directly to Canada when sold

- (a) to purchasers located at that place with whom the vendor deals at arm's length and who are on the same or substantially the same trade level as the exporter, and
- (b) in the same or substantially the same quantities for home consumption in the ordinary course of trade under competitive conditions.

In cases where like goods are not sold for human consumption but similar goods are sold, the value for duty is to be the cost of production of the goods imported plus an amount for gross profit equal in percentage to that earned on the sale of similar goods in the country of export.

The value for duty ordinarily may meet less than the amount for which the goods were sold to the purchaser in Canada, exclusive of all charges thereon after their shipment from the country of export. Internal taxes in the country of export (when not incurred on exported goods), the cost of shipping goods to Canada and similar charges do not normally form part of the value for duty. There are further provisions for determining value for duty under the Act.

“Duty” does not include duty or provisional duty imposed under the Anti-dumping Act 1970, R.S.C. A-15.



**CUSTOMS TARIFF ACT, R.S.C., c. C-41** Amendments: 1970-71-72 c. 61; 1973-74, c. 10; 1974-75-76, cc. 6,27,70

Minister of National Revenue; and Minister of Finance

*"An Act respecting the duty of customs"*

This Act sets out the rates of customs duties with regard to (1) British Preferential Tariff; (2) Most Favored Nation Tariff; (3) General Tariff; and (4) the General Preferential Tariff.

Section 8 provides for a surtax in certain cases and conditions. Goods imported into Canada from any country that treats imports from Canada less favorably than those from other countries, may be made subject by order of the Governor in Council, in the case of goods already dutiable, to a surtax over and above the duties specified in Schedule A, and in the case of goods not dutiable to a rate of duty not exceeding, in either case, thirty-three and one-third percent ad valorem.

Where it appears to the satisfaction of the Governor in Council, on a report of the Minister of Finance, that goods are being imported into Canada under such conditions as to cause or threaten serious injury to Canadian producers, these goods may by Order in Council be made subject to a surtax that is sufficient to prevent further such injury or threat of such injury.

Section 10 provides that, by Order in Council, reduction of duties on goods imported into Canada from any country may be granted as compensation for concessions extended by any such country. Provision is made for the payment of drawbacks of Customs duties on the materials set forth in Schedule B when used for consumption in Canada for the purposes specified in that schedule. These include materials used in the manufacture of farm machinery and equipment. Schedules A, B and C are attached and amended. Schedules are also amended by Statutory Orders and Regulations (SOR).

**EXCISE ACT, R.S.C. 1970, c. E-1** Amendments: c.15 (1st Supp.); 1974-75-76, c.24

Minister of National Revenue; and Minister of Consumer and Corporate Affairs

*"An Act respecting excise"*

This Act deals primarily with distilleries, breweries and tobacco. The Act, which originated in 1867, provides for the payment of excise rates and duties listed in the Schedule of the Act. This Schedule sets out the duties of excise imposed on spirits distilled in Canada, on imported spirits, on all beer or malt liquor brewed in or imported into Canada, and all malt brought into a brewery in Canada, on all tobacco and cigars manufactured in Canada, and on Canadian raw leaf tobacco when sold for consumption.

A farmer who grows and processes tobacco for his own use on his own farm-land, not for sale, does not require a license. Should the tobacco grown on a farm exceed 30 pounds for each adult member of the family it will be subject to the excise duty.

**EXCISE TAX ACT, R.S.C. 1970, c. E-13** Amendments: 1970-71-72, c.62; 1973-74, c.24; 1974-75-76, cc. 24,62

Minister of Finance (Part I); Minister of National Revenue (Part II to IV); and Minister of Transport (s. II)

*"An Act respecting Excise Taxes"*

Under Part V of the Act, the government imposes levies and collects a sales tax of nine percent on the sale price of all goods produced or manufactured in Canada and on all goods imported into Canada (s.27).

The tax imposed by section 27 does not apply to the sale or importation of the articles mentioned in schedule III. Part IV of this schedule lists those farm articles that are exempt.

Among the articles exempt are: feeds, living animals, living poultry and bees, nursery stocks, drain tile for agricultural purposes, fertilizer, pest control products used for agricultural purposes, some agricultural equipment, traction engines for farm purposes (not including machines and tools for operation by such engines).

Under section 47(1) where gasoline has been purchased by a farmers for farming purposes and the tax has been paid, the Minister may, upon application in writing by the applicant, pay an amount equal to that tax.

**EXPORT AND IMPORT PERMITS ACT, R.S.C. c. E-17** Amendments: cc. 29, 32 (2nd Supp.); 1974 c. 9

Minister of Industry, Trade and Commerce

*“An Act respecting the export and import of strategic and other goods.”*

The Governor in Council may establish, revoke, amend, vary or re-establish any Area Control List, Export Control List or Import Control List.

Under Section 5, the Import Control List may be used for any of the following purposes

- (a) to ensure the best possible supply and distribution of an article that is scarce in world markets or is subject to governmental controls in the countries of origin or to allocation by intergovernmental arrangement;
- (a.1) to restrict, for the purpose of supporting any action taken under the Farm Products Marketing Agencies Act, the importation in any form of a like article to one produced or marketed in Canada the quantities of which are fixed or determined under that Act;
- (b) to implement action taken under the Agricultural Stabilization Act, the Fisheries Prices Support Act, the Agricultural Products Co-operative Marketing Act, the Agricultural Products Board Act or the Canadian Dairy Commission Act, to support the price of the article or that has the effect of supporting the article; or
- (c) to implement an intergovernmental arrangement or commitment. The Minister is authorized to issue export permits, import permits and import certificates and he may amend, suspend, cancel or reinstate any permit, certificate or other authorization issued or granted under this Act.

The Governor in Council may also make regulations concerning:

- (a) the information to be supplied by applicants and the procedures to be followed;
- (b) the duration of the authorizations and the terms and conditions governing them;
- (c) the control of any in-transit movement of goods entering or being exported from any Canadian port or place;
- (d) the exemption of any persons or goods or classes thereof;
- (e) directions necessary to carry out the provisions of the Act.

**TARIFF BOARD ACT, R.S.C. 1970, c. T-1**

*“An Act to provide for the appointment of a tariff board.”*

The Act sets out the constitution and duties of the Tariff Board and authorizes it to hear appeals under the Customs Act or Excise Tax Act. Board decisions in these cases must be published in the Canada Gazette. The Governor in Council may empower the Board to hold an inquiry under Section 14 of the Customs Tariff or under the authority of the Combines Investigation Act into combinations which enhance prices, or direct it to inquire into and report on any matter relating to the trade or commerce of Canada.

This Act gives the Ministry responsible the power to demand from the Board a full inquiry for both domestic and imported goods into:

- (a) the price and cost of raw materials in Canada and elsewhere, and the cost of transportation thereof from the place of production to the place of use or consumption;
- (b) the cost of efficient production in Canada and elsewhere, and what increases or decreases in rates of duty are required to equalize the differences in the cost of efficient production;

- (c) the prices received by producers, manufacturers, wholesale dealers, retailers, and other distributors in Canada and elsewhere;
- (d) all conditions and factors, including the cost, efficiency and conditions of labor, which affect the cost or production and manufacture and the price to consumers in Canada, as compared with other countries; and
- (e) the effect that an increase or decrease of the existing rate of customs or excise duty upon a given commodity might have upon industry or trade, and the extent to which the consumer is protected from exploitation.

### 3. Trade Agreements

A listing of Canada's trade agreements, which are embodied in Acts, is found in The Table of Public Statutes Part II (Acts not consolidated in RSC 1927, 1952 or 1970) located at the back of Revised Statutes of Canada 1970. These are bilateral agreements which, with two exceptions, were passed or amended before the Second World War.

Tariff regulations on products entering Canada, whether subject to the British Preferential Tariff, the Most Favored Nation Tariff or General Agreement on Tariffs and Trade (GATT), are found in the Customs Tariff Act and in Statutory orders and regulations pursuant to it. The Act sets out the nations that qualify under each of these tariff categories and provides a schedule of duty rates and of goods subject to drawback.

#### THE AUSTRALIAN TRADE AGREEMENT ACT, S.C. 1960, c.17

*"An Act respecting a certain trade agreement between Canada and Australia."*

Under the Agreement, Canada grants to the goods enumerated in Schedule A, being the produce or manufacture of Australia, when imported into Canada, the tariff rates indicated in the Schedule. All other goods, the produce or manufacture of Australia, when imported into Canada, obtain the benefits of the British Preferential Tariff.

Similarly, Australia grants to the goods enumerated in Schedule B, being the produce or manufacture of Canada, when imported into Australia, the tariff rates indicated in the said Schedule B. All other goods, the produce or manufacture of Canada, when imported in Australia, obtain the benefits of the British Preferential Tariff.

Notwithstanding the provisions of Articles 1 and 2, should either Government, in order to implement a recommendation of its Tariff Board, wish to apply a rate of duty to the goods of the other country in excess of that provided for under the terms of those Articles, it shall enter into consultation with the other Government for the purpose of seeking a mutually satisfactory adjustment.

In the event that agreement cannot be reached within a period of 90 days after the commencement of consultation, the initiating Government shall be free to withdraw the concession.

If either Government considers that any product is being imported from the other country under such conditions as to cause material injury to producers of like or directly competitive products in the country of importation, the two Governments shall, after notice has been given in writing, consult together to consider measures to prevent further injury. If a mutually satisfactory solution does not result within 60 days from the commencement of these consultations, the relevant provisions shall not apply to the product specified in the notice.

This Act shall remain in force for a period of three years from the date of its coming into force and thereafter until 6 months from the day on which either Government shall have given written notice to the other Government of its intentions to terminate the Agreement.

**NEW ZEALAND TRADE AGREEMENT ACT, S.C. 1932, c.34**      Amendments: SC. 1932-33, c. 44; SC. 1959, c.12;  
SC. 1970-71-72, c. 14

*"An Act respecting a certain Trade Agreement between Canada and New Zealand".*

The Agreement aims to facilitate and expand commercial relations between the two countries.

Subject to the provisions of the Customs Tariff Act, New Zealand produced goods entering Canada (which are enumerated in Schedule A of this Act) shall be charged a duty rate no higher than that of the British Preferential Tariff (see amendment to schedule - 1959, c.12). All other goods entering Canada are subject to the British Preferential Tariff.

Similar provisions are made for Canadian produced goods entering New Zealand. They are enumerated in Schedule B of this Act.

Canada's anti-dumping legislation applies to New Zealand in the same way that it applies to the signatories to GATT. Canadian goods are not subject to New Zealand's anti-dumping legislation unless it so decides in the future.

No rates of duty for goods enumerated in the schedules shall be imposed or increased, except by mutual agreement, and only after giving three months notice.

The Act provides for the establishment of a Joint Canada - New Zealand Consultative Committee to advise on the operation of this Agreement and on any other matter of economic interest between the two countries.

The Agreement also applies to the Cook Islands, Niue and the Tokelau Islands.

#### **4. International Conventions**

##### **FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS ACT, R.S.C. 1970, F-26**

*"An Act for carrying into effect the Agreement for a Food and Agriculture Organization of the United Nations between Canada and certain other Nations and Authorities."*

This Act approves the Constitution of the Food and Agriculture Organization and empowers the Governor in Council to make such appointments, establish such offices, make such Orders in Council and do such other things as appear necessary for carrying out the provisions of the Constitution.

The Constitution states that the Food and Agriculture Organization was established to promote the common welfare of the Member Nations by furthering separate and collective action for the purposes of 'raising levels of nutrition and standards of living of the peoples under their respective jurisdictions, securing improvements in the efficiency of the production and distribution of all food and agricultural products, bettering the condition of rural populations, and thus contributing toward an expanding world economy'.

The functions of the Organization are to collect, analyze, interpret, and disseminate information relating to nutrition, food, and agriculture, and to promote and recommend national and international action with respect to:

- (a) scientific, technological, social, and economic research and the improvement of education and administration relating to nutrition, food and agriculture;
- (b) the conservation of natural resources and the adoption of improved methods of agricultural production and of processing, marketing, and distributing food and agricultural products;
- (c) the adoption of policies for the provision of adequate agricultural credit, national and international;
- (d) the adoption of international policies with respect to agricultural commodity arrangements.

It is also the function of the Organization:

- (a) to furnish such technical assistance as governments may request;
- (b) to organize, in co-operation with the governments concerned, such missions as may be needed to assist them to fulfil the obligations arising from their acceptance of the recommendations of the Conference of the Food and Agriculture Organization of the United Nations and of this Constitution.



## THE INTERNATIONAL PLANT PROTECTION CONVENTION

The International Plant Protection Convention was adopted at the Food and Agriculture Organization meeting in Rome in the fall of 1951. Canada ratified it on June 16, 1953.

Article I(1) of the Convention reads:

“With the purpose of securing common and effective action to prevent the introduction and spread of pests and diseases of plants and plant products (unmanufactured and milled material of plant origin) and to promote measures for their control, the contracting Governments undertake to adopt the legislative, technical and administrative measures specified in this convention and in supplementary agreements pursuant to Article III.”

The provisions of the convention also extend to storage places, containers, conveyances, packing material and soil used in the international transportation of plants and plant products.

## VII. TRANSPORTATION

### AERONAUTICS ACT, R.S.C. 1970, c. A-3

*“An Act to authorize the control of aeronautics.”*

Provisions in this Act relevant to farming deal with the cost of shipping farm produce, equipment and stock; spraying crops; and field drops of emergency cattle food.

The Act establishes the duties and powers of the Minister of Transport to control and regulate civil aviation, and it gives the Canadian Transport Commission, under the jurisdiction of the Minister, full powers with regard to licensing and other matters pertaining to civil aviation.

The Transport Commission, with the approval of the Governor in Council, has the power to establish freight rates, passenger rates and any other tolls and tariffs related to the field of aeronautics.

The Act further provides that no one can operate a commercial air service without holding a valid and current license issued to him by the Minister of Transport and certifying that the holder is adequately equipped and able to conduct a safe operation as an air carrier over the prescribed route in that given area.

### INLAND WATER FREIGHT RATE ACTS, R.S.C. 1970, c. I-12

*“An Act with respect to freight rates for the carriage of grain by lake and river navigation.”*

This Act is intended to regulate the shipping rates of grain transported on Canadian lakes or rivers for interprovincial, foreign or export trade. It is administered by the Canadian Grain Commission under the authority of the Minister of Agriculture.

Shippers are required to file with the Grain Commission a true copy of the document for carriage of the grain. The Commission must tabulate all rates and tariffs received and also ascertain the freight rates that prevail, or are exacted or required for the carriage of grain from the Lakehead by inland waters to places in Canada or the United States. Then the Commission shall report to the Minister of Industry, Trade and Commerce any apparent deficiency of cargo space, excessive freight charges or discrimination in rates. All ship-owners and persons engaged in the grain trade must, upon request, furnish the Commission with information concerning these matters, or be subject to the penalties set forth in the Act.

In the cases of unreasonable, unjust or discriminatory rates, tolls or charges imposed for the carriage of grain by any person or company, the Commission may prescribe maximum rates and vary them to suit conditions prevailing at any time. Penalties may be enforced against anyone charging rates, tolls or charges in excess of the maximum set by the Commission.



**MARITIME FREIGHT RATES ACT, R.S.C. 1970, c. M-3**

*“An Act respecting the Canadian National Railways and the tariffs of tolls to be charged on certain Eastern lines.”*

The purpose of this Act is to give certain rate advantages to persons and industries in the four provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, as well as certain areas in the Province of Quebec.

These areas are known as the ‘select territory’ and comprise all of the Maritime provinces, the steamship services between Port aux Basques and North Sydney, and the lines of railway in the Province of Quebec extending from the southern provincial boundary near Matapedia and Courchesne to Diamond Junction and Levis (collectively known as the “Eastern Lines”). Lines other than the Canadian National Railway may be included or withdrawn from the ‘Eastern Lines’.

The date for the reduction of freight rates on the Eastern Lines was July 1, 1927. The reduction represented a 20 percent discount on those rates generally applying to the rest of Canada. However, the Act does allow the Canadian Transport Commission the right to increase or decrease these rates, according to fluctuating operational costs.

The following are preferred movements as provided for in the Act:

- (a) local traffic, all rail - between points on the Eastern lines;
- (b) traffic moving outward, westbound, all - rail from points on the Eastern lines westbound to points in Canada beyond the limit of the Eastern lines at Diamond Junction or Levis - the 20 percent reduction shall be based upon the Eastern lines proportion of the through rate;
- (c) traffic moving outward, export traffic, rail and sea - from points on the Eastern lines through ocean ports on the Eastern lines destined for overseas;
- (d) traffic moving outward, westbound, rail-and-lake, and also rail-lake-and-rail from points on the Eastern lines westbound to points in Canada via ports beyond the limit of the Eastern lines at Diamond Junction or Levis - 20 percent shall be based on the Eastern lines’ proportion or the through rate for the rail mileage from the shipping point on the Eastern line west as far as Diamond Junction or Levis.
- (e) in some cases these tariffs apply to Express rates as well.

The rates specified in the tariffs of tolls in this Act, in respect of preferred movements, are deemed statutory rates.

The Act further provides that other companies owning or operating lines or railway in, or extending into, the select territory, may file with the Canadian Transport Commission (C.T.C.), tariffs of tolls respecting freight movements similar to the preferred movement meeting the statutory rates referred to in the preceding paragraph. The Commission on approving any such tariff shall certify the normal tolls which, but for this Act, would have been effective; and shall, in the case of each company, at the end of each calendar year ascertain and certify to the Minister of Transport the amount of the difference between the tariff tolls and the normal tolls on all traffic moved by the company during such year under the tariff so approved. The company is then entitled to payment by the Government of Canada of the amount of the difference so certified. Provision is made for the revision by the Commission every third year or at the request of the Governor in Council of the normal tolls referred to above.

**MOTOR VEHICLE TRANSPORT ACT, R.S.C. 1970, c. M-14**

*“An Act respecting extra-provincial Motor Vehicle Transport.”*

The purpose of this Act is to make it possible for the provinces to regulate interprovincial and international highway transport undertakings within their own provinces. The basis of the Act is to ensure that provincial transport companies are on a parity with extra-provincial transport firms. Each province has the right to regulate its own tariffs and tolls within that province, upon the same terms and conditions as apply to local undertakings.

The Act further states that it shall come into force in a province *“only upon the issue of a proclamation of the Governor in Council declaring it to be in force in that province.”* In practice, a province requests that the Act be declared effective within its boundaries.

**NATIONAL TRANSPORTATION ACT, R.S.C. 1970, c. N-17** Amendments: cc. 10,44 (1st Supp.); c. 10 (2nd Supp.); 1974-75-76, c. 49

Minister of Transport, Minister of Communications, and Minister of Consumer and Corporate Affairs

*"An Act to define and implement a national transportation policy for Canada, to amend the Railway Act and other Acts in consequence thereof and to divert other consequential provisions"*

The Act states that an economic, efficient and adequate transportation system, making the best use of all available modes of transportation at the lowest total cost, is essential to protect the interest of the users of transportation and to maintain the economic well-being and growth of Canada, and that these objectives are most likely to be achieved when all modes of transport are able to compete under conditions ensuring

- (a) regulation of all modes of transport will not be of such a nature as to restrict the ability of one mode of transport to compete freely with any other mode;
- (b) each mode of transport bears a fair proportion of the costs of resources, facilities and services provided to it out of public finances;
- (c) each mode of transport receives compensation for the cost of services it provides on direct order from the government;
- (d) each mode of transport carries traffic under tolls and conditions that
  - i) do not give unfair disadvantage to any point in Canada beyond that dictated by purely economic factors;
  - ii) do not obstruct the interchange of commodities between points in Canada or unreasonably discourage primary or secondary industry or export trade.

The Act provides authority for the establishment of the Canadian Transport Commission. It is the duty of the Commission to perform the functions vested in it by this Act, The Railway Act, the Aeronautics Act and the Transport Act, with the object of co-ordinating and harmonizing the operations of all carriers engaged in transport by railway, water, aircraft, extra-provincial motor vehicle transport and commodity pipe lines. Other duties of the Commission are described.

**RAILWAY ACT, R.S.C. 1970, c. R-2** Amendments: cc. 10,35 (1st Supp.); c.10 (2nd Supp); 1974, c. 12; 1974-75-76, c.c. 41, 49 (N.I.F. 1.12.76)

Minister of Transport and Minister of Communications

Sections 252 to 261 deal with the abandonment and rationalization of rail lines or operations. The Canadian Transport Commission hears applications for abandonment of uneconomic lines. The matters to be considered by the Commission are enumerated. The procedures and the actions that the Commission may take to protect the public interest are described. The Commission has the authority to extend the date of line-abandonment or rescind its orders.

Section 266 covers the movement of grains from the Western Provinces. If the railway is unable or fails to provide sufficient facilities for the movement of grain after the close of navigation on the Great Lakes and before the next harvest, and if grain in certain sections or districts cannot therefore be marketed, the Commission has the authority to direct the companies to transport the grain and supply the necessary cars and engines.

Section 271 covers Crow's Nest Pass rates. Rates on grain and flour moving from any point on any line of railway west of Thunder Bay to Thunder Bay, over any line of railway now or hereafter constructed by any company that is subject to the jurisdiction of Parliament, shall be governed by any provisions of the agreement made pursuant to chapter 5 of the Statutes of Canada, 1897. Rates on grain and flour for export to the west coast are governed by the provision of paragraph 2 of General Order No. 448 of the Board of Railway Commissioners for Canada, dated Friday the 26th of August 1927. Rates on grain and flour for export through Churchill shall be maintained at the level of rates applying on the 31st of December 1966.

Every railway company must make crossing for persons across whose lands the railway is carried, convenient and proper for the crossing of the railway for farm purposes (s. 212). Livestock using such crossings, when at rail level, must be in the charge of some competent person who must take all reasonable care and precaution to avoid accidents.

The Commission may, upon the application of any landowner, order the company to provide and construct a suitable farm-crossing across the railway, wherever the Commission deems it necessary for the proper enjoyment of his land, and safe public interest (s. 213).

Section 214 sets out the responsibilities of the railways in regard to fences, gates and cattle-guards. The persons for whose use farm-crossings are furnished must keep the gates at each side of the railway closed when not in use (s. 215).

Livestock are not permitted to be at large on any highway within half a mile of the intersection of such highway with a railway at rail level, unless they are under the charge of some competent person. Any livestock found at large may be impounded (s. 217, 218). Section 337 deals with damages when animals get killed or injured on the railway.

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Agriculture  
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Publication 1809/E

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# *Federal Agricultural Legislation up to 1988*

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Canada



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# *Federal Agricultural Legislation up to 1988*

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## FOREWORD

For a number of years, Agriculture Canada distributed a publication prepared by Agriculture Legal Services entitled *Federal Agricultural Legislation up to 1985*, which succeeded an earlier publication identifying federal agricultural legislation up to 1977. Both publications gave an overview of the laws of the federal government administered by the Minister of Agriculture that affected the agricultural industry.

As a result of the proclamation of the *Revised Statutes of Canada 1985* together with Appendices and four Supplements, the last publication required serious revisions and updating.

This publication, therefore, summarizes legislation up to December 31, 1988, and should be used only for information. Where a legal interpretation is needed, the statutes themselves remain the appropriate source.

The text is based on the *Revised Statutes of Canada 1985* (R.S.C. 1985) and subsequent statutes of Canada (S.C.).

*Agriculture Legal Services Unit*

# CONSTITUTIONAL LAW

## CONSTITUTION ACT, 1867, R.S.C. 1985, Appendices, No. 5.

The division of legislative powers between the federal government and the provinces is set out in sections 91 and 92 of the *Constitution Act*, 1867.

Section 91 of the *Constitution Act*, 1867, lists the matters that are the exclusive jurisdiction of the federal government, giving it the exclusive power to legislate in certain specific areas. The section also empowers the federal government to make laws “for the Peace, Order and good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces”. This general power to legislate may be exercised on all matters that do not come within the various classes of subjects enumerated in section 92, which sets out the exclusive powers of the provinces. Every legislature (federal and provincial) has supreme authority in its sphere of activity and any legislative power not specifically assigned to the provinces belongs to the federal government, which possesses the residuary legislative powers under the Canadian Constitution.

Section 95 gives the federal government and the provinces concurrent legislative powers over agriculture and immigration. The section reads as follows:

95. In each Province, the Legislature may make Laws in relation to Agriculture in the Province; and it is hereby declared that the Parliament of Canada may from time to time make Laws in relation to Agriculture in all or any of the Provinces, and to Immigration into all or any of the Provinces; and any Law of the Legislature of a Province relative to Agriculture or to Immigration shall have effect in and for the Province as long and as far only as it is not repugnant to any Act of the Parliament of Canada.

Under section 95, therefore, the federal government and the provinces share legislative powers in the area of agriculture. In the event of incompatibility between the two laws, however, the federal legislation takes precedence.

To be valid, any law adopted by the federal government must be in its real nature and essence a law on agriculture. The marketing of agricultural products in a province is within the province's legislative jurisdiction. This interpretation is based on paragraph 13 of section 92, which gives a province the power to legislate on property and civil rights in the province, and on paragraph 16, which gives a province the power to legislate on all matters of a merely local or private nature.

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## ADVANCE PAYMENTS FOR CROPS ACT, R.S.C. 1985, c. C-49

Amendment: 1st Supplement c. 38

“An Act providing for advance payments for field crops grown in Canada except for wheat, oats and barley grown in the Canadian Wheat Board designated area”

A guarantee is given to a producer organization which uses the guarantee to borrow funds from a lending institution. Under an agreement with producers, advances are issued for each unit of crop in storage to a maximum of \$30,000 for individual producers, \$60,000 for corporations or partnerships with two shareholders or partners and \$90,000 for corporations and partnerships with three or more shareholders or members. The advance is repaid as the crop is sold. The interest on the loan made for the purpose of making advances is paid by the federal government, as well as any advances which are not repaid, once the producer organization has attempted to collect the principal and interest.

## AGRICULTURAL PRODUCTS BOARD ACT, R.S.C. 1985, c. A-4

“An Act to provide for the establishment of an Agricultural Products Board”

This Act defines “agricultural products” as “livestock and livestock products, poultry and poultry products, milk and milk products, vegetables and vegetable products, fruit and fruit products, honey, maple syrup, tobacco, fibre and fodder crops and any products of agriculture designated by the Governor-in-Council as an agricultural product for the purposes of this Act.”

Subject to regulations, the Agricultural Products Board may, with the authority of the Governor-in-Council and under the direction of the Minister of Agriculture:

- (a) sell or deliver agricultural products to the government of any country pursuant to any agreement made by the federal government with the government of such country, and for those purposes may purchase agricultural products and make such arrangements for the purchase, sale or delivery of agricultural products as it considers necessary or desirable;



- (b) purchase or negotiate contracts for the purchase of agricultural products on behalf of the government of any country;
- (c) buy, sell or import agricultural products;
- (d) by order, require any person to give such information respecting agricultural products as may be necessary for the proper administration of this Act; and
- (e) store, transport, process or enter into contracts for the storage, transportation or processing of agricultural products.

The Act further stipulates that the Board is not permitted to sell, without the approval of the Governor-in-Council, an agricultural product pursuant to subsections (a) and (c) at a price lower than the purchase price, plus handling, storage and transportation costs.

The Board is also empowered to buy and distribute agricultural products under the powers given it by the *Agricultural Stabilization Act*.

## AGRICULTURAL PRODUCTS COOPERATIVE MARKETING ACT, R.S.C. 1985, c. A-5

“An Act to assist and encourage cooperative marketing of agricultural products.”

This Act authorizes the Minister of Agriculture, with the approval of the Governor-in-Council, to enter into an agreement with a cooperative association, processor or selling agency, to guarantee an initial payment to producers and the actual processing, carrying and selling costs for an agricultural product. The guarantee is based on an estimate of wholesale market prices and marketing costs for the coming year. When the subsequent actual average wholesale price is less than the total guaranteed amount, the Minister is liable for the difference. The guarantee protects the cooperative association against unusually low market prices.

The cooperative association, processor or selling agency must have a cooperative plan which applies to a sufficient proportion of product, so the Minister may judge that the marketing of the product under the cooperative plan will benefit primary producers.

In this Act, “agricultural product” means any kind of grain, such as oats and barley, other than wheat that is grown in the area defined by the *Canadian*

*Wheat Board Act*, milk and milk products, vegetables and vegetable products, livestock and livestock products, fruit and fruit products, poultry and poultry products, honey, maple syrup, tobacco and any other product of agriculture that might be so designated by the Governor-in-Council.

## AGRICULTURAL PRODUCTS MARKETING ACT, R.S.C. 1985, c. A-6

“An Act to provide for the marketing of agricultural products in interprovincial and export trade”

Under the Act, the Governor-in-Council may grant to any provincial board or agency the authority to regulate the marketing of an agricultural product in interprovincial and export trade. For this purpose, the board or agency may exercise all or any powers such as those they exercise in the local marketing of that agricultural product within the province, including the authority to fix, impose and collect levies.

Such authority is granted by an order of the Governor-in-Council.

## AGRICULTURAL STABILIZATION ACT, R.S.C. 1985, c. A-8

Amendment: 1st Supplement c. 40

“An Act to provide for the stabilization of agricultural products.”

An “agricultural commodity” for the purposes of the Act means:

- (a) any of the following commodities produced in Canada, namely cattle, hogs, lambs, wool, industrial milk, industrial cream, corn, soybeans and spring wheat, winter wheat, oats and barley not produced in the designated area as defined in the *Canadian Wheat Board Act*; and
- (b) any other natural or processed products of agriculture (including oats and barley produced in the designated area and not marketed through the Canadian Wheat Board) designated by the Governor-in-Council as an agricultural commodity.

The Act provides for the establishment of an Agricultural Stabilization Board and for an Advisory Committee to the Board, composed of farmers and representatives of farm organizations. It is the duty of the Board to:

- (a) take such action in accordance with this Act as is necessary to stabilize the prices of agricultural commodities at their respective prescribed prices; and
- (b) make such recommendations to ensure that the prescribed prices of agricultural commodities for any period bear a fair relationship to the estimated production costs of those commodities for that period.

The Board establishes the base price of each agricultural commodity, or its grade, quality, variety, class, type or form, the price of which is to be stabilized under this Act.

The base price of an agricultural commodity for any period is based on a five-year average price at representative markets as determined by the Board.

Section 10 provides for the establishment of prescribed prices.

Section 12 grants powers to the Board to enable it to meet its objectives, and includes the power to purchase an agricultural commodity, pay producers a form of stabilization, make payments for the benefit of producers and sell, dispose of, package, process, store, ship, transport, insure and otherwise deal with a commodity.

Section 13 allows the Board, subject to Order-in-Council, to enter into agreements with provinces and/or producers to provide a price stabilization scheme for an agricultural commodity, provided the Minister is satisfied in an agreement with a province that such an agreement would not give a financial advantage in the production or marketing of the commodity not enjoyed by other producers of that commodity in Canada, and would not be an incentive to those producers who are parties to the agreement or are to benefit from it to over-produce the commodity.

## ANIMAL DISEASE AND PROTECTION ACT, R.S.C. 1985, c. A-11

“An Act respecting infectious or contagious diseases affecting animals and the protection of animals”

In the Act, “reportable diseases means African Swine Fever, anaplasmosis, anthrax, avian pneumoencephalitis (Newcastle Disease), blue-tongue, brucellosis, cysticerosis (bovine), equine infectious anemia, equine piroplasmosis, foot-and-mouth disease, Fowl Plague, fowl typhoid, glanders, hog cholera, maladie du coît (dourine), mange, pullorum disease, rabies, rinderpest, scrapie, sheep scab, trichinosis, tuberculosis, vesicular disease of swine,

vesicular exanthema of swine, vesicular stomatitis or such other disease as may, from time to time, be designated by the Minister.”

The Act provides the Minister and the Governor-in-Council with the authority to control infectious and contagious animal diseases (including reportable diseases), and to provide compensation for destruction of animals, animal by-products and for other items ordered destroyed under the Act.

All owners, breeders and dealers of animals, veterinarians, and those bringing animals into Canada, must immediately notify the nearest veterinary inspector of the Department of Agriculture should a reportable disease be discovered. Owners who fail to give notice of disease forfeit their claim to compensation for any animals destroyed under the Act.

The conditions that could result in the destruction of diseased animals, animal products and other items are outlined in Section II.

The amount of compensation is the market value of the animals immediately before destruction, if they had not been subject to destruction under this Act. Compensation cannot however exceed the maximum amounts prescribed by the Governor-in-Council for horses, and for cattle and sheep destroyed pursuant to an area or herd disease eradication program under the regulations.

Where compensation is less than the maximum prescribed under this Act, or where no compensation is awarded, an appeal may be brought to the Assessor appointed under the *Pesticide Residue Compensation Act* on the grounds that compensation awarded or the failure to award compensation may have been unreasonable.

Under section 15, the Minister may, by order, prohibit importation of animals and related things for the purpose of preventing the introduction to Canada of infectious or contagious animal diseases.

Inspectors and other officers may be appointed as necessary and in the manner authorized by law to enforce this Act.

## ANIMAL PEDIGREE ACT, S.C. 1988, c. 13

“An Act respecting animal pedigree associations”

This Act provides for the incorporation of associations for the purpose of keeping a record of purebreds and registered and identified domestic animals

of one or more distinct breeds of the same animal species. Only one association for each distinct breed or for a number of breeds of the same species may be incorporated under the Act. The Act establishes the Canadian Livestock Records Corporation, which keeps records of any incorporated associations requesting its services.

## CANADA AGRICULTURAL PRODUCTS ACT, S.C. 1988, c. 27

“An Act to regulate the marketing of agricultural products in import, export and interprovincial trade and to provide for national standards and grades of agricultural products, for their inspection and grading, for the registration of establishments and for standards governing establishments”

This Act establishes national standards and grades for agricultural products and regulates their marketing in import, export and interprovincial trade as well as providing for their inspection. The Act also establishes a Board of Arbitration and a Review Tribunal for the resolution of disputes involving licensed dealers who fail to comply with the regulations under the Act.

## CANADA GRAIN ACT, R.S.C. 1985, c. G-10

“An Act respecting grain”

This Act establishes the Canadian Grain Commission. In the interests of the grain producers, the Commission’s objects are to establish and maintain quality standards for Canadian grain and to regulate grain handling to ensure a dependable commodity for domestic and export markets.

It establishes committees for eastern and western grain standards. Each recommends specifications for grain grades and selects and recommends primary standard samples and export grain standard samples. A schedule to the Act establishes certain “statutory” grades.

The Commission has jurisdiction over the inspection of grain, licensing elevator operators and grain dealers and applying standards and procedures which regulate the handling, transportation and storage of grain and the facilities used therefor.



The Act also provides for a tribunal to hear appeals regarding the grading of grain, and declares certain elevators to be works for the general advantage of Canada.

## CANADIAN DAIRY COMMISSION ACT, R.S.C. 1985, c. C-15

“An Act to provide for the establishment of a Dairy Commission for Canada ”

This Act establishes a three-member corporation, known as the Canadian Dairy Commission, to provide efficient producers of milk and cream the opportunity to obtain a fair return for their labor and investment, and to provide consumers of dairy products with a continuous and adequate supply of high-quality dairy products.

Subject to and in accordance with regulations established under this Act, the Commission may:

- (a) purchase any dairy product, sell or otherwise dispose of any dairy product purchased by it;
- (b) package, process, store, ship, insure, import or export any dairy product purchased by it;
- (c) make payments for the benefit of producers of milk and cream, for the purpose of stabilizing the price of those products, on the basis of volume, quality or on such other basis as the Commission deems appropriate;
- (d) make investigations into any matter relating to the production, processing or marketing of any dairy product, including the cost of producing, processing or marketing that product;
- (e) undertake and assist in the promotion of dairy products, the improvement of their quality and variety, and publication of relevant information; and
- (f) do all such acts and things as are necessary or incidental to the exercise of any of its powers or functions under the Act.

For the purposes of this Act, “dairy product” is broadly defined and means “milk, cream, butter, cheese, condensed milk, evaporated milk, milk powder,

dry milk, ice cream, malted milk or any other product manufactured wholly or mainly from milk, and includes sherbet.”

For the purpose of carrying out any investigation, the Commission has all the powers of a Commissioner appointed under Part I of the *Inquiries Act*.

The Governor-in-Council may make regulations concerning the marketing of any dairy product and may also make regulations requiring the registration of producers of milk and cream before making payment for the benefit of such producers.

The Governor-in-Council may include on the Import Control List established under the *Export and Import Permits Act*, any dairy product, the controlled import of which is deemed necessary for implementing action under this Act to support the price of that dairy product, or that has the effect of supporting the price of that dairy product.

The Act provides for appointment of inspectors and imposition of penalties for those who violate the provisions of this Act.

## CANADIAN WHEAT BOARD ACT, R.S.C. 1985, c. C-24

Amendment: 1988 S.C. c. C-92

“An Act to provide for the constitution and powers of the Canadian Wheat Board”

Part I of this Act provides for the establishment of a board called the Canadian Wheat Board. It is incorporated with the object of marketing, in an orderly manner, in interprovincial and export trade, grain grown in Canada.

The Board has authority to buy, take delivery of, store, transfer, sell, ship or otherwise dispose of grain, enter into contracts or agreements, operate elevators and establish, use and employ such marketing agencies or facilities as are necessary to “sell and dispose of grain acquired by it pursuant to its operations under this Act for such prices as it considers reasonable with the object of promoting the sale of grain produced in Canada in world markets”.

Part II stipulates the conditions for delivery of grain to an elevator or to a railway car and for the issuance and use of permit books. Some of the Board’s administrative powers under this Part include authority to: prescribe railway delivery points; fix, from time to time, the quotas of each kind of grain which producers may deliver within a period; prohibit deliveries of

grain; provide for the allocation of railway cars available for the shipment of grain at any delivery point; make inquiries and investigations to ascertain the availability of delivery and transportation facilities, supplies of grain and all matters connected with the interprovincial or export marketing of grain.

The Governor-in-Council may, by regulation, extend the provisions of Part II to any area in Canada outside the designated area specified in the regulation.

Pursuant to Part III of the Act, the Board is authorized to undertake the marketing of wheat produced in the designated area in interprovincial and export trade, and for such purposes to:

- (a) buy all wheat produced in the designated area, offered by a producer for sale and delivery to the Board at an elevator or in a railway car, in accordance with the provisions of this Act and the regulations and orders of the Board;
- (b) pay to producers, selling and delivering wheat produced in the designated area to the Board, a sum certain per tonne basis in store Thunder Bay or Vancouver, to be fixed from time to time by regulation of the Governor-in-Council in respect of wheat of the grade No. 1 Canada Western Red Spring, and by the Board in respect of each other grade;
- (c) issue to a producer, who sells and delivers wheat produced in the designated area to the Board, a certificate indicating the grade and number of tonnes purchased and delivered, which entitles the named producer to share in the equitable distribution of any surplus arising from the operations of the Board with regard to the wheat produced in the designated area sold and delivered to the Board during the same pool period.

The Board distributes the balance remaining in its account in respect of wheat purchased by it during a pool period, after deducting all monies disbursed by the Board for expenses incurred in connection with the operations of the Board attributable to that wheat and in connection with the operations of the Board under Part II. The balance is distributed among holders of certificates issued by the Board pursuant to this Part during the pool period. Upon surrender of certificates, the Board pays the named person the appropriate sum for the stated grade and amount of wheat.

The Governor-in-Council may authorize the Board to transfer to a current pool all wheat delivered during a preceding period which remains unsold at the the end of that pool period, and to close out accounts which have been inactive and unclaimed for more than six years.

Part IV provides that, except as permitted under the Regulations, no person other than the Board shall:

- (a) export from or import into Canada wheat or wheat products owned by a person other than the Board;
- (b) transport or cause to be transported from one province to another, wheat or wheat products owned by a person other than the Board;
- (c) sell or agree to sell wheat or wheat products situated in one province for delivery in another province or outside Canada; or
- (d) buy or agree to buy wheat or wheat products situated in one province in another province or outside Canada.

Part V provides that the Governor-in-Council may by regulation extend the application of Part III or Part IV or of both Parts III and IV to oats or to barley or to both oats and barley. The word “oats” or “barley” as the case may be, shall be substituted for “wheat”. The sum certain per tonne to be fixed by the Governor-in-Council may be fixed in respect of oats or barley basis in storage either Thunder Bay or Vancouver or only Thunder Bay or only Vancouver.

Part VI provides for the establishment of marketing plans for the marketing of grain in interprovincial or export trade.

Part VI also provides that the Governor-in-Council may make certain regulations generally for carrying out the purposes and provisions of this Part.

Part VII provides, under section 76, that all flour mills, feed warehouses, feed mills and seed-cleaning mills are to be considered works for the general advantage of Canada and therefore subject to the provisions of this Act.

## CRIMINAL CODE — SECTION 204, R.S.C. 1985, c. C-46

“An Act respecting Criminal Law”

Section 204 of the Criminal Code is under the jurisdiction of the Minister of Agriculture. It covers the pari-mutuel race track system of betting. No pari-mutuel system of betting on horse races can be conducted unless

approved by the Minister of Agriculture and its operation supervised by someone appointed by the Minister. The Minister may make regulations regarding the supervision and operation of pari-mutuel systems, amounts payable to race track authorities per dollar wagered, the number of races per day on which betting may be conducted, the conduct of races including photo finish, blood, urine and saliva testing, the possession and administering of drugs, the provision of proper facilities for supervision and operation, telephone-account betting, foreign races, separate pool and intertrack betting as well as theatre betting.

## CROP INSURANCE ACT, R.S.C. 1985, c. C-48

“An Act to provide for contributions and loans to the provinces in respect of crop insurance”

This Act makes it possible for the federal government to assist provinces in the provision of all-risk crop insurance to farmers. It enables the Minister of Agriculture to enter into agreement with any province to make contributions toward the cost of the insurance scheme. Risk-sharing agreements can also be made by way of loans or reinsurance of part of the province's liability. Under subsection 4(2), where a contribution to administration expenses is made, the contribution is to be an amount equal to the aggregate of:

- (a) 50% of expenses incurred by the province in the administration of the scheme; and
- (b) if the province has undertaken to pay a share of the premiums, the lesser of:
  - (i) the amount required to reimburse the province for its share of the premiums; or
  - (ii) 25% of the premium paid.

When no contribution toward the scheme's administration expenses is made and the province pays a share of premiums, the federal contribution to the province is the lesser of:

- (a) the amount required to reimburse the province for the share of the premiums paid by it; or
- (b) 50% of the premiums paid on the insurance policies.



Section 9 provides for extended insurance coverage against:

- (a) loss arising from the destruction of stands of fruit trees or perennial plants other than trees; and
- (b) loss arising when the seeding or planting of crops is prevented by excess ground moisture, weather or agricultural hazards.

When there is an agreement with the province to provide extended coverage, the Minister may, subject to any regulations, agree to the payment by Canada to that province of contributions on the same basis as described under subsection 4(2).

## DEPARTMENT OF AGRICULTURE ACT, R.S.C. 1985, c. A-9

“An Act respecting the Department of Agriculture”

The purpose of this Act is to establish a Department of the Government of Canada called the Department of Agriculture, presided over by the Minister of Agriculture.

The following subjects are under the control and direction of the Minister of Agriculture:

- (a) agriculture;
- (b) arts and manufactures;
- (c) experimental farm stations; and
- (d) forest resources of Canada.\*

The Governor-in-Council may assign any other power or duty to the Minister.

The Minister is to submit to the Governor-in-Council an annual report on the operations of the department to be laid before both Houses of Parliament.

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\* The *Revised Statutes of Canada 1985* revision added the subject “forest resources of Canada” but this was transferred to the Minister of State (Forestry) by Order-in-Council dated September 15, 1988.

## EXPERIMENTAL FARM STATIONS ACT, R.S.C. 1985, c. E-16

“An Act respecting Experimental Farm Stations”

This Act was proclaimed in 1886. It authorizes the Governor-in-Council to establish a central experimental farm station in the National Capital Region, and five other experimental farm stations, one each in the Maritimes, Manitoba, the Prairies, British Columbia and Newfoundland.

The Act also authorizes the Governor-in-Council to establish such other experimental farm stations “as may be considered advisable and in the public interest”. The Minister of Agriculture is authorized to charge each experimental farm station to:

- (a) conduct research and verify experiments designed to test the relative value, for all purposes, of different breeds of stock and their adaptability to the varying climatic or other conditions that prevail in the various provinces and in the Northwest Territories;
- (b) study the economic questions involved in the production of butter and cheese;
- (c) test the merit, hardiness and adaptability of new or untried varieties of wheat or other cereals, and of field crops, grasses and forage plants, fruits, vegetables, plants and trees, and distribute among persons engaged in farming, gardening or fruit growing, on such conditions as are prescribed by the Minister, samples of the surplus of such products as are considered to be specially worthy of introduction;
- (d) analyze fertilizers, whether natural or artificial, and conduct experiments with those fertilizers, in order to test their comparative value as applied to crops of different kinds;
- (e) study the composition and digestibility of foods for domestic animals;
- (f) conduct experiments in the planting of trees for timber and for shelter;
- (g) study the diseases to which cultivated plants and trees are subject and the ravages of destructive insects, and ascertain and test the most useful preventives and remedies to be used in each case;
- (h) study the diseases to which domestic animals are subject;
- (i) ascertain the vitality and purity of agricultural seeds; and

- (j) conduct any other experiments and research bearing on the agricultural industry of Canada that are approved by the Minister.

## FARM CREDIT ACT, R.S.C. 1985, c. F-2

“An Act to provide for the extension of long-term mortgage credit to farmers”

This Act creates the Farm Credit Corporation, the objects and purposes of which are to make and to administer and supervise farm loans.

Loans may be made to farmers individually or jointly with others and to farming corporations or cooperative farm associations.

Loan funds may be used to purchase farm land, make permanent improvements, purchase breeding stock and farm equipment, consolidate debts or for any purpose that will facilitate the efficient operation of the farm.

Loans are secured by a mortgage on farm land and any additional security which the Farm Credit Corporation may require, such as a chattel mortgage on livestock and equipment or other types of security.

Two types of loans are available under the *Farm Credit Act*:

- (a) Standard farm loans: Borrowers must, after the loan is made, be principally occupied in farming.
- (b) Loans to beginning farmers: Borrowers may retain off-farm employment while developing an economic farm business, providing farming becomes their principal occupation within five years.

The maximum loan that may be made to any one person alone or jointly with others or in respect of any one farm business is:

- (a) \$350,000 where there is one qualifying applicant;
- (b) \$600,000 where there are two or more qualifying applicants;
- (c) \$600,000 for each separate farming enterprise of an Indian band.

Applicants must be Canadian citizens or permanent residents and be of legal age to enter into a mortgage contract.

## FARM DEBT REVIEW ACT, R.S.C. 1985 (2nd Supplement), c. 25

“An Act to facilitate financial arrangements between farmers and their creditors”

The Act authorizes the Governor-in-Council to establish in each province or designated area of Canada a Farm Debt Review Board. The Board's principal objective is to assist insolvent farmers arrive at an arrangement with creditors about to realize on their security or take action to collect their debts.

The Act also authorizes the Board to establish Review Panels to mediate differences between farmers and their creditors.

Each Panel is chaired by a Farm Debt Review Board member.

When an insolvent farmer applies under the Act, a stay of proceedings by all creditors against the farmer is implemented for 30 days. This stay may be renewed for three 30-day periods. Secured creditors are obliged under the Act to give notice to a farmer/debtor before taking action.

To reassure creditors, a guardian of the farmer's assets is appointed by the Board in each case. The guardian's duties are usually restricted to preparing an inventory of the farmer's assets, periodically verifying the presence and condition of those assets and advising the Board of any act or omission on the farmer's part that would jeopardize those assets.

The Board must accept a nominee of the creditors when such a nomination is made. When it is not made, the farmer shall be appointed by the Board, except where the farmer is not qualified. When the farmer is not qualified and a nomination is not made by the creditors, the Board may appoint a qualified third party as guardian.

The Board may terminate a stay of proceedings whenever it is of the opinion that the farmer is refusing to cooperate with the guardian or is jeopardizing the farm assets.

No new applications can be made to the Board for a period of two years after the date on which the first application was made, without written consent from the Board.

The Act also provides for a voluntary review of a farmer's financial affairs which may or may not have as a goal the facilitating of an arrangement with creditors. There is no stay of proceedings applicable to creditors in this case.

## FARM IMPROVEMENT LOANS ACT, R.S.C. 1985, c. F-3

“An Act to encourage the provision of intermediate-term and short-term credit to farmers for the improvement and development of farms, and for the improvement of living conditions thereon”

The Act authorizes the Minister of Agriculture to guarantee loans made to farmers by chartered banks and other designated lenders for farm improvement projects.

The main purposes for which farm improvement loans can be made are:

- (a) the cost of major repairs to or major overhaul of agricultural implements or equipment for beekeeping;
- (b) the purchase of livestock or bee-stock;
- (c) the cost of major repairs to or major overhaul of agricultural equipment for a farm electric system;
- (d) the construction, repair or alteration of farm buildings;
- (e) the purchase of additional farm land;
- (f) general works for the improvement and development of a farm, including clearing and breaking of land, irrigation systems, fencing and drainage work and any work for the development of the farm designated in the regulations.

The Minister is responsible for meeting certain specified losses sustained as a result of farm improvement loans, providing certain conditions are met. One such requirement is that a borrower may have only a maximum of \$100,000 in guaranteed loans outstanding at any one time.

The maximum rate of interest payable on loans under the Act is based on and varies with the prime lending rate of chartered banks, plus 1%.

If the bank makes a guaranteed farm improvement loan, it may take as security a mortgage or hypothec upon the farm or an assignment of rights and interest of a purchaser of the farm under an Agreement of Sale. The Minister may enter into agreements to provide for the repossession or disposal of property upon which security is taken by the bank for the repayment of a guaranteed farm improvement loan.



## FARM IMPROVEMENT AND MARKETING COOPERATIVES LOANS ACT, S.C. 1987, c. 31

“An Act to increase the availability of loans for the purpose of the improvement and development of farms and the processing, distribution or marketing of farm products by cooperative associations, to amend the *Farm Improvement Loans Act* and to amend certain other Acts in consequences thereof”

The Act authorizes the Minister of Agriculture to guarantee loans made to farmers and cooperatives by chartered banks and other designated lenders for farm improvement projects and to assist marketing cooperatives in the distribution and marketing of agricultural products.

The main purposes for which such loans to farmers can be made are:

- (a) the purchase of, major repair to or major overhaul of tools, implements, apparatus and machines, both fixed and not fixed to real property;
- (b) the purchase of livestock, including bees and any other prescribed animal;
- (c) the construction, repair or alteration of, or making additions to, any building or structure on a farm;
- (d) the purchase of additional land;
- (e) the erection or construction of fencing or works for drainage;
- (f) any other purpose that is prescribed; and
- (g) the consolidation or refinancing of the debts of a farmer incurred for the purposes described above.

The guarantee is restricted to 95% of the loss sustained by the lender and payment by the Minister is subject to the conditions prescribed in subsections 4(3) and 6(2) of the Act.

The main purposes for which a farm product marketing loan will be made to a marketing cooperative are:

- (a) the purchase of land;
- (b) the purchase or construction of any building or structure;

- (c) the repair or alteration of, or making additions to, any building or structure;
- (d) the purchase or repair of machinery or apparatus; and
- (e) the consolidation or refinancing of the debt of the cooperative incurred for the purposes described above.

The maximum loan to a farmer, including loans under the *Farm Improvement Loans Act*, cannot exceed \$250,000. The usual maximum amount of a loan to a cooperative is \$250,000. However, the Minister may increase that amount to a maximum of \$3 million.

The Act requires the Minister to approve any arrangement between lender and borrower that may increase the risk of the loan not being repaid according to its terms.

The Act also allows for regulations prescribing the rate of interest to be charged by the banks for this type of loan, or for prescribing a formula by which the rate may be determined.

A bank may take whatever security it would assume if the Act was not applicable.

Subsection 15(2) of the Act permits the Governor-in-Council to provide that the guarantee can be for percentages of the loan other than the 95% referred to elsewhere in the Act.

As a result of this 1987 Act, the *Farm Improvement Loans Act* will not grant new loan guarantees, but will continue to honor previously-guaranteed loans.

## FARM PRODUCTS MARKETING AGENCIES ACT, R.S.C. 1985, c. F-4

“An Act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products”

Part I of this Act provides for the establishment of a National Farm Products Marketing Council. Members (comprising a minimum of three and a maximum of nine, at least one-half of whom shall be primary producers) are to be appointed by the Governor-in-Council in a manner that will endeavor to ensure equal representation from the western, central and Atlantic provinces.

The duties of the Council are to:

- (a) advise the Minister of Agriculture on all matters relating to the establishment and operation of agencies under this Act, with a view to maintaining and promoting an efficient and competitive production and marketing industry;
- (b) review the operations of agencies to ensure they conduct their operations in accordance with the objects set out in the Act, which are to:
  - (i) promote a strong, efficient and competitive production and marketing industry for the regulated product or products over which the agency has power; and
  - (ii) have due regard to the interests of producers and consumers of the regulated product or products; and
- (c) work with agencies in promoting more effective marketing of farm products in interprovincial and export trade.

The Council is empowered on request by a group of producers, if directed by the Minister of Agriculture or on its own initiative to:

- (a) inquire into the merits of establishing an agency for a particular farm product or group of products, or broadening the authority of an existing agency;
- (b) review amendments to or proposed marketing plans submitted by an agency which does not have the vested power to implement such a plan;
- (c) review the operation of agencies;
- (d) review all orders and regulations proposed or made by agencies and, where it is satisfied that they are necessary for the implementation of a marketing plan that the agency is authorized to implement, approve the orders and regulations;
- (e) investigate complaints from any person who is directly affected by the operations of an agency;
- (f) conduct studies into any matter relating to the marketing of a farm product in interprovincial or export trade; and
- (g) require, for the purpose of implementing a marketing plan, persons engaged in producing or marketing farm products in interprovincial

or export trade to register with the Council or an agency, to keep books and records, and to report relevant information to the Council or the agency.

The Council shall not recommend the establishment or broadening of authority of an agency over a farm product or products unless it is satisfied that a majority of the producers of the particular farm product or products are in favor of such action.

Part II of this Act provides for the establishment of a national marketing agency by proclamation of the Governor-in-Council, for any farm product in interprovincial and export trade which is not governed by the *Canadian Wheat Board Act* or the *Canadian Dairy Commission Act*, and where a majority of the producers of the farm product or products concerned are in favor of such an agency.

The proclamation establishing the agency shall set out the powers of the agency over the designated farm product and fix the number of members of the agency (the majority of whom must be primary producers) and the manner of their appointment.

A proclamation which designates a farm product (other than tobacco, eggs and poultry) shall not set out, as a term of the marketing plan that an agency is empowered to fix and determine, the quantity in which any regulated product could be marketed in interprovincial or export trade.

Subject to the proclamation by which it is established, and to any subsequent proclamation altering its powers, an agency may:

- (a) purchase any regulated product or similar product and deal with it as it sees fit;
- (b) implement a marketing plan;
- (c) prepare and submit a marketing plan to the Council;
- (d) undertake and assist in the promotion of regulated products, improvement of their quality and variety and publication of information;
- (e) designate bodies through which any regulated product shall be marketed in interprovincial or export trade;
- (f) where so empowered by the marketing plan, make orders and regulations which it considers necessary to implement the plan and to submit it to the Council for approval;

- (g) require the remission of levies or charges by persons engaged in the production and marketing of the regulated product;
- (h) charge fees, deal in property, establish branches, employ agents, invest money and borrow on credit.

The Minister of Agriculture, with the approval of the Governor-in-Council, may enter into an agreement with any province enabling an agency to perform, on behalf of that province, functions relating to intraprovincial trade of the regulated product or to any other related matter as may be agreed upon.

## FARM SYNDICATES CREDIT ACT, R.S.C. 1985, c. F-5

“An Act to provide loans to syndicates of three or more farmers to finance machinery and facilities that are to be used cooperatively in their farming operations and those of the syndicate”

The Farm Credit Corporation may make loans to a farm syndicate amounting to 80% of the actual price to the syndicate of the farm machinery, buildings or land to be purchased, buildings to be erected or improvements to be made with the loan, to a maximum of \$15,000 per member or \$100,000, whichever is the less.

A farm syndicate may take up to 15 years to repay a loan for buildings and permanently-installed equipment, and seven years for mobile machinery.

Loans are secured by a promissory note signed by the members of the farm syndicate. Additional security such as chattel or real property mortgage may be required.

A “farm syndicate” is defined as:

- (a) a cooperative farm association;
- (b) a farming corporation in which three or more shareholders are engaged in farming, the principal occupation of a majority of whom is farming;  
or
- (c) an association formed by an agreement in writing, approved by the Corporation, between individuals, farming corporations or any combination thereof where any three or more of those individuals or the shareholders of any of those farming corporations are engaged in farming and the principal occupation of a majority of whom is farming.



## FEEDS ACT, R.S.C. 1985, c. F-9

“An Act to control and regulate the sale of feeds”

“Feed” is defined in the Act as any substance or mixture of substances for consumption by livestock or for providing for the nutritional requirements of livestock. No person may manufacture, sell or import into Canada any feed unless it has been registered, packaged and labeled as prescribed and conforms to prescribed standards.

The Governor-in-Council may make regulations covering registration of feeds, sampling, packaging, labeling and any other particulars necessary for carrying out the Act.

## FERTILIZERS ACT, R.S.C. 1985, c. F-10

“An Act for the regulation of agricultural fertilizers”

Fertilizers and supplements may only be sold in or imported into Canada if they have been registered, packaged and labeled as prescribed and conform to the standards set down in the Act and the Regulations. The Governor-in-Council may make regulations for the registration, prescribing the standards and providing for the packaging and labeling of fertilizers and supplements. Provision is also made for the regulation of fertilizers containing a control product as defined in the *Pest Control Products Act*.

## GRAIN FUTURES ACT, R.S.C. 1985, c. G-11

“An Act to provide for the supervision and regulation of trading in grain futures”

The Act includes trading in grains as defined in section 2 of the *Canada Grain Act*, but, at the present time, only wheat, oats, barley, rye, flaxseed and rapeseed are traded on the basis of the futures market. It empowers the Canadian Grain Commission, under the authority of the Minister, to make regulations for registration of members of the Winnipeg Commodity Exchange, the Vancouver Grain Exchange, the Winnipeg Commodity Clearing Limited, the British Columbia Grain Shippers' Clearance Associa-

tion and the Lake Shippers' Clearance Association. The Act also provides for inspection of books, records and trading transactions and publication of information and statistics on the marketing of grain.

Three steps that can be taken by the Grain Commission when grain futures are threatened by fluctuations in price are specified in the Act.

The Commission may:

- (a) fix the minimum margin which shall be deposited in connection with trading and grain futures;
- (b) fix the maximum amount of any kind of grain that any persons may, in any period of time, commit themselves or be under commitment, by means of grain futures, to accept or deliver, unless such contracts are offset in quantity by the purchase or sale of cash grain or ownership of grain or grain products (i.e., bona fide hedging transaction); and
- (c) suspend from trading privileges any member of the Exchange if, in the opinion of the Commission, such member has been guilty of a breach of this Act or any regulation made thereunder.

The Commission is also empowered to revoke or vary any rule or by-law of the Exchange and further to hear and determine grain exchange committee appeals arising out of the alleged failure by any person to make delivery of grain in accordance with the terms of a grain futures contract. The Act also defines as offences, punishable by fine or imprisonment, any violation of any provision of the Act.

## HAY AND STRAW INSPECTION ACT, R.S.C. 1985, c. H-2

“An Act respecting the inspection and grading of hay and straw”

This Act empowers the Minister of Agriculture to make regulations prescribing standards of class, quality and condition for hay and straw, certify by inspection, the class, quality and/or condition of hay and straw and prescribe the places where, and the conditions under which, hay and straw shall be inspected and the charges to be made for such inspection.

## INLAND WATER FREIGHT RATES ACT, R.S.C. 1985, c. I-10

“An Act with respect to freight rates for the carriage of grain by lake and river navigation”

This Act is intended to regulate the shipping rates of grain transported on Canadian lakes or rivers for interprovincial, foreign or export trade. It is administered by the Canadian Grain Commission under the authority of the Minister of Agriculture.

Shippers are required to file with the Commission a true copy of the charter party, bill of lading or contract for carriage of the grain. The Commission must tabulate all rates and tariffs received and also ascertain the freight rates that prevail, or are required for the carriage of grain from Thunder Bay by inland waters to places in Canada or the United States. Then the Commission shall report to the Minister of Agriculture any apparent deficiency of cargo space, excessive freight charges or discrimination in rates. All ship owners and persons engaged in the grain-carrying trade must, upon request, furnish the Commission with information on these matters, or be subject to the penalties set forth in the Act.

In the cases of unreasonable, unjust or discriminatory rates, tolls or charges imposed for the carriage of grain by any person or company, the Commission may prescribe maximum rates and vary them to suit conditions prevailing at any time. Penalties may be enforced against anyone charging rates, tolls or charges in excess of the maximum set by the Commission.

## LIVESTOCK AND LIVESTOCK PRODUCTS ACT, R.S.C. 1985, c. L-9

“An Act respecting stockyards, livestock and livestock products and poultry production.”

Under Part I of this Act (Stockyards), “livestock” means horses, cattle, sheep, swine and fur-bearing animals raised in captivity.

In Part II of this Act, “livestock” means cattle, sheep, swine and fur-bearing animals raised in captivity and live poultry; “livestock products” means meat, raw hides and skins, raw furs, dressed poultry, eggs or wool; and “poultry” means domestic fowl, guinea fowl and pigeons.

Part I enables the Governor-in-Council to make regulations governing the manner of construction, equipment and operations of stockyards, the way in which sales transactions are presented and the manner of recording receipts, classifications, weights and purchase prices of livestock. Also included are regulations over the manner of calf inspection and disposal, the manner in which shippers' trust accounts are kept by cooperative associations and commission merchants and the way in which livestock consigned for sale or commissions may be pooled.

Part II provides that the Governor-in-Council may, with respect to any livestock or livestock products produced within or imported to Canada, make regulations prescribing quality standards and grades. These involve inspection, grading, packing, packaging, labeling, branding and marking. Regulations also cover the shipping and transporting of any livestock or livestock products. However, Part II of the Act has been superseded by the *Canada Agricultural Products Act* and the *Meat Inspection Act*.

In Part III of this Act, dealing with poultry production, "poultry" means domestic or wild fowl or birds. This Part provides that the Governor-in-Council may make regulations:

- (a) prescribing the Dominion Poultry Improvement Program for the improvement of poultry stock and the eradication of disease;
- (b) prescribing terms and requirements for the production of chicks and poultry under such programs;
- (c) prescribing where and when the Dominion Hatchery Approval Policy and its regulations, under the Dominion Poultry Improvement Program, shall be in force;
- (d) prescribing measures for hatchery sanitation;
- (e) prescribing measures for inspection, banding and marketing of chicks and poultry; and
- (f) prescribing the method of applying the pullorum test and the period during which it shall be deemed effective.

No person shall operate a hatchery within a province in which the Dominion Hatchery Approval Policy has been proclaimed unless a permit has been secured from the Minister. Shipment of chicks from any place in Canada into any province in which the Dominion Hatchery Approval Policy has been proclaimed under this Act is forbidden. Exceptions are when: such chicks have been produced and labeled, as required under such Policy, and if such

province has made pullorum testing a requirement of its flock approval policy; such chicks were produced in approved hatcheries using only eggs from flocks approved under a provincial flock approval policy which, in the opinion of the Minister, requires pullorum tests as stringent as those of the province into which such chicks are to be shipped.

## LIVESTOCK FEED ASSISTANCE ACT, R.S.C. 1985, c. L-10

“An Act to provide assistance to livestock feeders in Eastern Canada, British Columbia, the Yukon Territory and the Northwest Territories”

The Act establishes the Canadian Livestock Feed Board and provides for the creation of an Advisory Committee to report to the Minister and the Board.

The objects of the Board are to ensure:

- (a) the availability of feed grain to meet the needs of livestock feeders;
- (b) the availability of adequate storage space in eastern Canada for feed grain;
- (c) reasonable stability in the price of feed grain in eastern Canada, British Columbia, the Yukon Territory and the Northwest Territories; and
- (d) fair equalization of feed grain prices in eastern Canada, British Columbia, the Yukon Territory and the Northwest Territories.

The Board may also:

- (a) make payments related to the cost of feed grain storage in eastern Canada; and
- (b) make payments related to the cost of feed grain transportation.

These payments are made for the benefit of livestock feeders in accordance with the regulations.

It is the duty of the Board:

- (a) to study feed grain requirements, the availability of feed grain and the requirements for additional feed grain storage facilities in eastern Canada and British Columbia;



- (b) to make recommendations to the Minister on the requirements for additional feed grain storage facilities in eastern Canada;
- (c) to advise the government on all matters concerning stabilization and equalization of feed grain prices to livestock feeders; and
- (d) to consult and cooperate with all departments, boards or agencies of the Government of Canada, or of any province having duties related to those of the Board.

The Board may, at any time when it is so authorized by regulations:

- (a) buy or enter into contracts or agreements for the purchase of feed grain in eastern Canada and British Columbia and in the designated area, but when purchase is made by the Board within the designated area, such purchase shall be made from the Canadian Wheat Board or its agent;
- (b) within the provisions of any licence obtained in its name authorizing it to import feed grain, buy or enter into contracts or agreements for the purchase of feed grain outside Canada and import such feed grain into Canada; and
- (c) take delivery, ship, store, handle or sell or otherwise dispose of feed grain in eastern Canada or British Columbia and enter into contracts for the delivery, shipping, storage, handling, insurance and sale or other disposition of such feed grain.

The Governor-in-Council may make regulations prescribing, with respect to payments related to the cost of feed grain storage and transportation, the eligibility of those to whom such payments may be made and the rate of such payments within eastern Canada, British Columbia, the Yukon Territory and the Northwest Territories.

## MEAT IMPORT ACT, R.S.C. 1985, c. M-3

“An Act to regulate the importation into Canada of fresh, chilled and frozen meat and to amend the *Export and Import Permits Act*”

This Act provides the authority for the Minister of Agriculture, with the concurrence of the Secretary of State for External Affairs\* to establish such restrictions as the Minister considers appropriate on the quantity of fresh,

chilled and frozen beef and veal that may be imported in a calendar year. Any restrictions which are imposed may, at the discretion of the Minister, with concurrence of the Secretary of State for External Affairs, be suspended, revoked or adjusted to allow for increased quantities.

Restrictions on the quantity of beef and veal imported to Canada may not result in a level of imports less than the minimum global access commitment agreed to by Canada in the *General Agreement on Tariffs and Trade* (GATT).

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\* This authority has been delegated by the Secretary of State for External Affairs to the Minister for International Trade.

## MEAT INSPECTION ACT, R.S.C. (1st Supplement) 1985, c. 25

“An Act respecting the import and export of and interprovincial trade in meat products, the registration of establishments, the inspection of animals and meat products in registered establishments and the standards for those establishments and for animals slaughtered and meat products prepared in those establishments”

This Act deals with the import, export, interprovincial trade and inspection of meat. It also deals with the slaughter of animals and the preparation, packaging, labeling and storage of meat products.

The Act allows for the creation of registered establishments for the slaughter of animals and for preparing, packaging, labeling and storing of meat products.

It also creates a meat inspection legend as a national trade mark and prohibits its use unless authorized by the regulations.

The Act makes it illegal to export a meat product from Canada, convey a meat product from one province to another, import a meat product to Canada, or advertise or sell an imported or “interprovincial” meat product unless the meat product has been stored in a registered establishment, is inspected and complies with the regulations.

The Act allows for the appointment of inspectors who have power to enter premises, open packages, take samples, examine documents, and seize and detain any meat products.

The Governor-in-Council can make regulations regarding the meat inspection legend, registered establishments, slaughtering and handling procedures, standards for meat products, packaging and labeling of meat products and storage, handling and transportation of meat products.

The Act defines offences for the contravention of provisions of the Act and allows for fines of as much as \$100,000.

## PEST CONTROL PRODUCTS ACT, R.S.C. 1985, c. P-9

“An Act to regulate products used for the control of pests and the organic function of plants and animals”

A “control product” under this Act is defined as “any product, device, organism, substance or thing that is manufactured, represented, sold or used as a means for directly or indirectly controlling, preventing, destroying, mitigating, attracting or repelling any pest.”

The Act enables the Governor-in-Council to make regulations regarding the manufacture, storage, distribution, advertising, packaging, labeling, importing, exporting or use of these products and the standards for efficacy and safety of control products.

Inspectors are appointed to enforce the provisions of the Act.

## PESTICIDE RESIDUE COMPENSATION ACT, R.S.C. 1985, c. P-10

“An Act to provide compensation to farmers whose agricultural products are contaminated by pesticide residue and to provide for compensation awards”

The Act allows for compensation to a farmer for loss suffered because of the presence of unauthorized pesticide residue in an agricultural product, provided that recommended agricultural practices have been followed.

The Governor-in-Council may make regulations concerning eligibility for compensation, the methods of calculating the amount of compensation for

loss, terms and conditions of payment, maximum and minimum compensation, exclusion of certain products, persons or class of products and any other regulations necessary to carry out this Act.

The Minister may designate any qualified persons as inspectors who may at any reasonable time enter any place or premises in which they believe there is any agricultural product, pesticide or thing that will enable them to carry out any investigation that may be required by the Minister. Inspectors may open any container or package, examine anything found therein they believe will assist them in such investigation and take samples thereof.

Penalties are provided for, and the Governor-in-Council may appoint an Assessor and Deputy Assessors to hear and determine appeals for compensation under this Act.

The decision of the Assessor on any appeal is final and conclusive and not subject to appeal or review by any court.

## PLANT QUARANTINE ACT, R.S.C. 1985, c. P-15

“An Act to prevent the introduction or spreading of pests injurious to plants”

In this Act, “pest” means any insect, plant or animal organism, virus, bacterium, disease or disease-inciting agent causing or capable of causing injury or damage to any vegetable, any part, product or by-product of a vegetable or any plant material. “Plant or other matter” means any plant, plant material, material, equipment, carrier, container, article or other thing that may contain or carry any pest.

Except as provided by this Act and its regulations, no person shall knowingly introduce or admit to Canada, spread within Canada or convey within or from Canada any pest or any plant or other matter that is infested or likely to be infested with a pest or that constitutes a biological obstacle to the control of any pests.

The Governor-in-Council may make regulations for preventing or controlling the introduction or admission to Canada or the spreading within Canada or from Canada of any pest or plant or other matter that is infested or likely to be infested with a pest.

The Act provides for the appointment of inspectors to enforce this Act. Penalties are provided for violations.

The Minister may order compensation for any plant or other matter destroyed or prohibited or restricted from sale or any restriction of the use of any property or premises in the amounts approved by and subject to the terms and conditions of the regulations pursuant to this Act. Where the compensation awarded is less than the maximum compensation prescribed under this Act, or where no compensation is awarded, an appeal may be brought to the Assessor appointed under the *Pesticide Residue Compensation Act* on the grounds that the amount of compensation awarded or the failure to award compensation may have been unreasonable.

## PRAIRIE FARM REHABILITATION ACT, R.S.C. 1985, c. P-17

“An Act to provide for the rehabilitation of drought and soil-drifting areas in the provinces of Manitoba, Saskatchewan and Alberta”

The purpose of this Act is to rehabilitate drought and soil-drifting areas in the provinces of Manitoba, Saskatchewan and Alberta, and to develop and promote up-to-date systems of farm practice, tree culture, water supply, land utilization and land settlement that will afford greater economic security to farms and farmers.

The Minister of Agriculture may undertake the development, construction, promotion, operation and maintenance of projects or schemes under or by virtue of this Act, or enter into agreements with any province, municipality, or person with respect thereto.

## PRAIRIE GRAIN ADVANCE PAYMENTS ACT, R.S.C. 1985, c. P-18

Amendment: 3rd Supplement c. 2

“An Act to provide for advance payments for Prairie grain prior to delivery thereof”

The Canadian Wheat Board may make a payment to a producer as an advance on an initial payment for threshed grain in storage prior to its delivery to the Board. No advance payment shall be made to a producer unless an application is made during the current crop year and before the first day



of June in that crop year. The application must be approved by the manager or operator of an elevator or other person authorized by the Board to make advance payments on its behalf. No person who has received an advance payment under this Act in any crop year and who is in default is entitled to receive another advance payment until the undertaking has been discharged.

An application form for an advance payment must be signed by the producer and show the amount of the advance payment for which application is made. The kinds and quantities of threshed grain in storage at the time of application must be noted, as well as the number of the permit book under which the producer is entitled to deliver grain, whether the producer has received a previous advance payment, whether the producer has applied for, received or is in default of an advance for failure to have delivered under the *Advance Payments for Crops Act* and any other particulars specified by the Board. Pursuant to subsection 4(2), an application must be verified by affidavit and also include an authorization by the applicant stating that, where the applicant sells grain of any kind delivered to an elevator, the operator of which is authorized to purchase grain for the Board, at a certain amount per tonne. In a crop year, the permit book specified in the application — or any permit book issued in substitution or extension thereof — the authorization may provide for deductions to the initial payment or payment for the grain, until the undertaking of the applicant has been discharged. The amount payable per tonne is equal to the lesser of:

- (a) the amount per tonne determined pursuant to section 8 as the advance payment rate per tonne in respect of a type of grain; or
- (b) the amount remaining after the charges for freight and handling (and any other charge or levy prescribed or authorized by law and payable in respect of the grain upon its delivery and sale) are deducted from the initial payment or payment for the grain.

Before an advance payment is made to producers, they will execute an undertaking in prescribed form in favor of the Board principally to the effect that:

- (a) as soon as general acreage quotas enable the producer to do so, the producer will, in addition to any deliveries described in subsection 15(2), deliver and sell grain to the Board until the aggregate of the deductions from the initial payments for the grain under subsection 4(2) in respect of those deliveries and sales of grain to the Board is equal to the advance payment made to the producer; and
- (b) upon default, the producer will pay to the Board the amount in default with interest at the appropriate prescribed rate per annum on the amount in default from the date of the making of the advance payment.

The recipient may, at any time prior to default, discharge his obligation to deliver grain to the Board, by payment to the Board.

Where two or more producers are entitled to deliver grain under one permit book, no advance payment will be made unless all producers named in the permit book jointly apply and execute the undertaking. The advance payment will be made to all such producers jointly, or as they direct in the application. An application must specify the shares of the advance payment to be paid to each.

Subject to sections 7 and 8, the amount of an advance payment to a producer regarding grain, deliverable under the permit book specified in the application, will be the quantity of threshed grain (irrespective of grade) that the applicant has in storage other than in elevator. The applicant must also undertake to deliver to the Board, less any undelivered grain in respect of which a previous advance payment was made, multiplied by the advance payment rate per tonne prescribed for that kind of grain. The maximum advance payments in a crop year are \$30,000 for an individual or a corporation with only one shareholder, \$60,000 for two individuals, partners or shareholders and \$90,000 for three or more individuals, partners or shareholders, less any amount advanced under the *Advance Payments for Crops Act*.

The Act also provides for emergency advance payments for drying damp or tough grain and unthreshed grain.

The Board holds a lien on grain for which advance payments have been made.

## SEEDS ACT, R.S.C. 1985, c. S-8

“An Act respecting the testing, inspection and sale of seeds”

Under this Act, “seed” means any plant part of any species belonging to the plant kingdom, represented, sold or used to grow a plant.

Except as provided by the regulations, no person shall:

- (a) sell, import into Canada, or export from Canada any seed unless it conforms to the prescribed standard and is marked and packed and the package labeled as prescribed;
- (b) sell or advertise for sale in Canada or import into Canada seed of a variety that is not prescribed by the Minister;

- (c) sell, import into Canada or export from Canada seed under a grade name or designation so closely resembling a grade name established under subsection 4(1) that it may be mistaken therefor; or
- (d) apply to seed or to a package containing seed a grade name so closely resembling a grade name established under subsection 4(1) that it may be mistaken therefor.

The Governor-in-Council may establish regulations:

- (a) specifying grades with appropriate grade names for seeds;
- (b) prescribing the terms and conditions under which seed crops may be inspected or seeds may be graded or tested;
- (c) prescribing the minimum standards of purity, germination, quality and disease for seeds;
- (d) respecting the packing and marking of seeds and the marking and labeling of seed packages;
- (e) prescribing the terms and conditions under which variety names of seeds may be used;
- (f) exempting any seed or any person from the operation of all or any of the provisions of the Act;
- (g) respecting the taking of samples and the testing of seeds for the purposes of this Act;
- (h) respecting the fees that may be charged for any services provided under this Act;
- (i) respecting the detention, preservation and safeguarding of anything seized under section 8;
- (j) respecting the disposition of anything forfeited under section 8;
- (k) prescribing anything else that by this Act is required to be prescribed; and
- (l) generally, for carrying out the purposes and provisions of this Act.

The Minister may prescribe the species of plants, the seeds of which the Minister deems are weed seeds, for the purpose of establishing grades under this Act.

## WESTERN GRAIN STABILIZATION ACT, R.S.C. 1985, c. W-7

Amendment: 1st Supplement c. 40

Amendment: 4th Supplement c. 36

“An Act respecting the stabilization of net proceeds from the production and sale of western grain and to amend statutes in consequence thereof”

This legislation primarily concerns grain producers (wheat, oats, barley, rye, flaxseed, canola, rapeseed and mustard seed) in the designated area named in Schedule I of the *Canada Grain Act*. Producers contribute to a fund to which the federal government also contributes at a rate of 2% of participating eligible grain sale proceeds. The Act defines the conditions for eligibility to participate and provides for withdrawal by participants at times set out in subsections 5(1) and (3). At the end of each year, the Minister determines if stabilization payments are to be made. The provisions for calculation are set out in sections 8 and 9. In turn, the calculations under sections 8 and 9 form the basis for the Minister to decide if stabilization payments are to be made pursuant to section 10. Sections 11 and 12 also relate to calculations.

The levies paid by producers are collected by grain companies and dealers licensed by the Canadian Grain Commission and a secondary group of commercial grain buyers registered as “Designated Purchasers” with the Western Grain Stabilization Administration. The initial levy is 4%, however section 17 provides for changes in the rate of levy. In the case of joint or corporate farming arrangements, section 18 stipulates the rules for determining the grain-sale proceeds upon which levy is payable. In cases involving crop loss insurance settlements, the Minister has power in section 18 to deem these proceeds to be eligible for levy entitlement. Where sales are made directly to operators of feedmills, feedlots, seed plants and similar commercial grain purchase establishments, the Minister may, under section 20, deem proceeds from the sale to be eligible proceeds of the participant upon which levy is payable.

Where levy deductions are made by the Canadian Wheat Board from adjustment or final grain payments issued to participating producers, section 21 contains a provision to determine in which year the levy has been paid.

Each year, the Minister reports on levy payments and arranges for the refund of any excess levies. There are a number of incidental provisions relating to recovery of improperly-made payments or refunds, subject to section 27 of the Act and section 155 of the *Financial Administration Act*. Stabilization payments and refunds are exempt from garnishment or attachment and are not assignable except as authorized under the Act.

Under the Act the Commission may, upon application by any interested person, investigate complaints alleging that:

- (a) the amount determined to be the levy for a year paid by the applicant is incorrect;
- (b) the amount required or authorized to be paid as the levy for a year by the applicant is incorrect;
- (c) the eligibility as a participant of the applicant, or the election by the applicant not to participate under this Act, has not been correctly recognized;
- (d) the entitlement of the applicant to a stabilization payment or refund of levy has not been correctly recognized; or
- (e) an amount has been wrongfully recovered from the applicant.

Responsibility for consideration of an appeal by a producer from an order of the Minister of ineligibility to participate under this Act also rests with the Commission.

After investigating and considering a complaint or an appeal, the Commission may make orders for payment, applicable levy or eligibility of a participant.

The Governor-in-Council may make regulations prescribing form, information to be supplied and conditions under which persons buying seed for resale or processing may be designated as purchasers for the purpose of the Act.

The Western Grain Stabilization Account is established in the Consolidated Revenue Fund. Section 46 provides that the Minister must on or before May 31 each year or, if Parliament is not sitting, within five days of Parliament's resumption, submit a report to Parliament on the administration of the Act, including a report on the state of the Stabilization Account.



















